

# CONTEMPORARY PROBLEMS OF LAND OWNERSHIP

Course of Summer Lectures 1962

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This is a companion book to *Land Ownership and Resources* which, published in 1962, carried the texts of a course of summer lectures held at Cambridge in 1958. A similar course, arranged in 1962 by the Department of Land Economy of Cambridge University and the Cambridge University Estate Management Club, contributes the bulk of the text of this, the second book in what is hoped will prove to be an informative series of publications on many aspects of land economy. Land problems are becoming more critical than ever before to the economic and social wellbeing of many peoples. Each nation has its peculiar versions of them. There are, however, universal features which make classification possible and necessary and the particular presentations of contemporary problems which comprise the main text of this book are introduced by a suggested standard classification in the opening chapter.



# CONTEMPORARY PROBLEMS OF LAND OWNERSHIP

A course of Lectures given at Cambridge in June 1962  
under the Chairmanship of  
His Grace the Duke of Hamilton and Brandon, K.T., G.C.V.O., A.F.C.

DEPARTMENT OF LAND ECONOMY  
UNIVERSITY OF CAMBRIDGE  
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## PREFACE

### *Opening Address by The Duke of Hamilton*

Over the past ten years the Department of Estate Management at Cambridge and the Graduates' Club associated with it have been responsible for a series of summer lectures on different aspects of land ownership, land use and management. The last course dealt with landownership and resources, and took place four years ago. The supervening interval has been exceptionally long. Radical changes in University policy which have replaced the Department of Estate Management by the Department of Land Economy made an earlier date impossible.

That this ancient, world-renowned University is pioneering work of this kind is a source of reassurance and confidence, especially to those of us who, like myself, are directly concerned with the land. The proper use of land is a problem of far-reaching character and the whole of society is affected by it. It would indeed be very far from the mark to imagine that these courses were only benefiting a sectional interest. Man's primary material need is food and second to it is housing. With the rapid increase in population it would be true to say that human progress and indeed human survival depend on our coming to terms with a multitude of problems connected with the proper use of land.

The theme of the present series of lectures is land ownership in a changing world. Change is as old as civilised man. All the great civilisations of the past have known it and experienced its social tensions in one form or another. The pace, however, of change which scientific technology is forcing upon us surely provides a pattern peculiar to our own age. The problem of securing what is best of the past by sacrificing the second best to the demand of new ideas, new values and new modes of living touches us on all sides and is especially relevant to the problems of land ownership.

It is not merely fortuitous that these courses should take place in Cambridge. Here we have a singularly appropriate vantage point for the examination of this theme. Within this venerable residential University traditional relationships are under radical review. It is right that we should be meeting here to discuss the challenging questions that change evokes.



## CHAPTER ONE

### A CLASSIFICATION OF UNIVERSAL LAND PROBLEMS

by

*D. R. Denman, M.A., Ph.D., M.Sc., F.R.I.C.S.*

#### *A suggested classification*

Modern society in various stages of development throughout the world is addressing itself to problems of the land: the way it is owned, distributed and used. Here in Britain, with our closely confined acres, we have our own version of the problems. We have it in an acute form and are apt to think of these problems as peculiar to ourselves and, indeed, to think of all the perplexing problems of land use and tenure as a malaise experienced only in densely populated countries in the forefront of modern technological advance. We are wrong in this. In India and other congested countries, whose economy, technically and proportionately, is far less advanced than our own, land problems are the centre of social, economic and political debate. In other parts of the world, notably in Africa, where the human race is relatively thin on the ground and society is more conscious of the cognate ties of family and kindred than of the inter-dependence of territorial proprietorships, the age old traditional social structure is being fundamentally disturbed by the demands of modern technical development for deep-rooted and stable land titles.

There is nothing new in this. Throughout history whenever the great tides that move the minds and emotions of men have altered course to reset the pattern of the social orders and to shift the foundations of society, the changes have evoked land problems. Human society is never static. Change, now fast moving, now more leisurely, is continuous. Hence land problems have



been always with us and will be while civilisation lasts. In matters of detail the diversities are manifold, but in the fundamentals there is a universality and conformity which makes it possible to classify the problems. One of a number of possible classifications is as follows:

- i allocation of land resources;
- ii redistribution;
- iii restraints on absolutism;
- iv security of tenure;
- v reconciliation of proprietary and state policies;
- vi social investment and private gain;
- vii taxation.

*Allocation:* In all communities the land has precedence. At some point in the history of society, what is today the allocation pattern of the land had its origin. The land was divided among those who came to dwell upon it and to work it. Land, because of its physical nature, cannot be taken by grab and run tactics. He who acquires it by pillage, by permit or by the stake of the pioneer must abide upon it personally or vicariously—it cannot abide on him, as a girdle about his person, gems in the pocket, or money in the purse. Symbolically, and in many instances factually, he appropriates the land to himself by the boundary stake or stone. Aliens may dishonour the boundaries and eject him. But where men would live in harmony as neighbours they must respect each other's landmarks.

In some form or another the rule of law has to run between proprietor and proprietor. Laws do not spring up spontaneously. They presuppose principles and policies of which they are the expression and the instruments. Laws and customs which uphold proprietary rights in land must in the last analysis find a source in some form of property theory, however crude, inarticulate and primitive it may be.

When land is plentiful men do not speculate on theories of property. Simple expedients mark the divide between "mine" and "thine". The nod of a chieftain's head will allocate usufructory rights over virgin bush in some sparsely populated areas of the world, a simple and expressive theory that all who are of the blood may come and receive land. The Homestead Act of the U.S.A., straightforward and idyllic in its free distribution of land at the



frontiers of the westward advance, rested on the theory that 160 acres of land was to be had for the taking by any and every citizen of the New America who needed it.

As societies grow older, circumstances change and new meanings are read into old allocations. When William the Conqueror parcelled out the Saxon lands among his knights in fee, the distribution was at the time a military expedient, a settlement for services rendered. Before the last of the Norman kings had gone, however, grave questions were being asked concerning the nature of the original gifts. Whatever William's intentions may have been when he granted the land in fee in the 11th Century, by the end of the Norman period legal theory had invested the fee with the dignity of an inheritance. What in debate was a problem of jurisprudence and proprietary right was in essence a problem of the distribution of land.

*Redistribution:* New theories to bolster old allocations is an aspect of land distribution and property theory. Redistribution is the replacement of old allocations by new patterns of ownership, radically affecting the physical size of proprietary units or their distribution among society, or both. The new allotment may be associated with changes in social philosophy and political policy in which theory and practice change together or the theory of property may remain unchallenged while the pressure of technical advance forces a redistribution of the land.

The peasant proprietorships traditional in eastern Europe for centuries have been ruthlessly swept away in thousands to make room for collective farms and state farms. The technical advantage gained by operating large production units was in many places wholly lost by the unco-operative attitude of the persons who were forced to collectivise, and even where technical advantage was gained it was incidental to the primary motive behind the redistribution. The primary motive was a determined application of Marxian theories of property. Radical redistributions of land may, however, take place without drastic reforms in the theory of property. Political expediency rather than fundamental reforms in proprietary theory led to the redistribution of Crown and Church lands in 17th Century England under the Commonwealth. Sometimes redistribution of interests in land takes place quietly and unobtrusively. Slowly, imperceptively, events ripen cir-



cumstances and change takes place. A current example in the English scene is the proposed opening of the rural commons in England and Wales to the public for fresh air and exercise, recommended by the Royal Commission on Common Lands 1958.

New techniques in agriculture, economical only when practised over broad stretches of land, are seminal stimulants of redistribution especially in contemporary Europe and elsewhere where the land law and theory of property has led to excessive fragmentation of land, a mosaic of tiny proprietorships. The great enclosure movement in England which realigned so much of the arable, common and waste of the open-field villages is another example of technical innovations forcing the redistribution of land. Admittedly, the enclosed lands were emancipated from the ties of communal agriculture and manorial customs which fashioned them, but the consequential freedom was stabilised in the new physical layouts and did not involve a change in the fundamental law or theory of property.

*Absolutism:* To say that a man may do what he likes with his own is misleading if in the same breath we speak of the ownership of land in an ordered society. What is done on one man's land may adversely affect the amenities and facilities of another's. Should the law permit the action, the landowner may harm his neighbour with impunity. He should not be aggrieved however if the neighbour retaliates in kind. If there were no restraints between proprietor and proprietor, no reciprocal sanctions and ownership were equated with absolute power, landowners in possession of vital resources, such as a supply of natural water, could hold their neighbours to ransom and if anarchy were absolute, no man would know what was his own, save what brute force could hold for him. Brute force is the antithesis of law. If then a man would hold property and know what he owns, he must respect the law and be prepared to condition his absolute powers in the interests of his neighbours in whom he expects to find reciprocal restraints.

We are, in effect, making the law the repository and arbiter of property in land. And this, in all truth, is the function of law. What a landowner has is not the land itself, but an amalgam of rights over the land which, by the notions of the law in England, is recognised as property. Within the confines of those rights the



landowner may do what he pleases. Here, we are not speaking colloquially of the ownership of land but of property as a bundle of rights in the land and in this respect the notion that a man may do what he likes with his own is acceptable.

Problems of restraint on absolutism are problems of degree. How far shall a landowner's absolute powers of ownership be checked in the interest of his neighbours? This is a universal question. We are not here concerned with the imposition of restrictions by the State in the name of the community. Admittedly, by such restrictions a landowner's absolute powers are curtailed further, but this curtailment is a special case and we will deal with it later on as a separate class of problem. The restraint of absolutism which now concerns us derives from the rule of law between proprietor and proprietor. An important aspect of the matter is the extent to which the parties to a transaction in land may go in making voluntary agreements to override the requirements of the law which would otherwise bind them. The degree to which they are required to conform involuntarily is a measure of the interference of the State in private relationships. We must be careful here to look at motives. If the motive is to safeguard the interests of one of the parties against the other, we are dealing with a simple issue of restraint upon absolutism; but if the community's interests colour the motive we are confronted with State interference in the name of the community and are at once involved in the reconciliation of private and public interests, issues which belong to the fifth class in our classification.

*Security of tenure:* Problems of security of tenure are a particular form of the problem of restraint on absolutism and arise wherever inferior proprietary interests in land are carved out of superior interests. A tenancy at will faithful to its designation and not conventionalised by legal formulae is an inferior interest wholly at the mercy of an absolutism enjoyed by the owner of the superior interest from whence the inferior interest derives. Derivative inferior proprietary interests may not conform to the definition of valid tenancies under English common law or some other jurispotential system, but whatever form the derivative interests takes it cannot avoid the security problem.

The cardinal issues are duration, compensation and alienation. The duration of an inferior interest may be contingent or certain



or a combination of the two. Death is the contingency which terminates the duration of a life interest. A known specified date on the calendar, an event predictable and certain while the sun and the moon endure, marks the time span of a tenancy or other inferior interest created for a predetermined period of time. A term of years certain, as the English lawyers call such a tenancy, may not run its allotted span if its duration is conditional upon prompt payment of rent, the discharge of repair liability or some other condition; its life is then contingent upon the non-occurrence of the terminating event and we have the combination of certainty and contingency shaping the duration of the inferior interest.

The irreducible factor of inferior interests is a duration of existence which in some measure is less than the duration of the superior interest out of which they are carved. For the owner of the inferior interest there comes a day, relentlessly, unavoidably, when he must quit the land. And at the event, he looks over his shoulder to what he leaves behind. Are there, in the land he quits, the fruits of his own toil and investment, labours and expenditures which a precipitant end of the inferior interest has robbed of their full yield? If so, shall he be recompensed by the superior owner who now enters into possession of the land and what has been left there? And should he be recompensed, how shall the recompense be determined? These are the unavoidable questions creative of the problems of compensation.

Alienation, the third of the cardinal issues to shape the problems of security of tenure, is a terminal problem of another kind. When the owner of an inferior interest wishes to be rid of it before its duration has expired, he may formally surrender the interest to the superior owner or abandon the land and flee the consequences. A third alternative is to pass the inferior interest to the hands of another, an act of assignment, substitution and alienation. Alienation, however, like formal surrender, is a process of law. It is only available as a third alternative if the law sanctions it. The longer the duration of an inferior interest the more acute does the question of alienation become. One of the most colourful aspects of English legal history has been the struggle of the landowners to gain the right to create inalienable inheritances, inferior interests passing from generation to generation down a line of heirs and inalienable from that line. Duration, compensation and alienation, the three cardinal issues of the problem



of security of tenure, may be left in the hands of the parties concerned to deal with, or the State may intervene to facilitate alienation, enforce compensation and extend duration. The practical question is how far in given circumstances should it do so.

*Reconciliation:* A landowner's autonomy over his land in an ordered society is limited by reciprocal rights and obligations between himself and his neighbours, rights which arise from voluntary agreement or the imposition of legal sanctions by the legislature in the interests of one or other of the parties. The legislature acts on the impulse of justice to see that wrongs are righted or prevented from arising between the parties. The Agricultural Holdings Acts, 1875-1948 which prescribe and impose codes of compensation for improvements made by tenants are examples of this kind of legislative action. Admittedly, the sanctity of contract is invaded but, by and large, and by the fair-minded, the need for such measures is acknowledged, if not at once, then eventually as experience justifies it.

There are, however, other restrictions limiting the autonomy of landowners and imposed by Government in the name of the community at large. In some instances these impinge in a particular way on the relationships between private citizens as, for instance, the requirements of the Rent Restrictions Acts, measures which gravely and in many respects unjustly affect the interests of landowners while purporting to control an aspect of the housing market in the national interest. For the most part, the community-conscious restrictions do not directly affect the proprietary relationships between private citizens. The requirements of modern industry and of the technical revolution in housing standards are, in many countries, creating situations where such restrictions are imperative. Ethically, these restrictions evoke soul-searching questions touching property rights, personal freedom and the nebulous concept of the common good. They propound for us the problem of avoiding two undesirable extremes—state despotism on the one hand and stultification on the other—and of finding a way to the reconciliation of private property and State coercion. The pathway ahead is not entirely blocked. Statutorily empowered private enterprise, voluntary co-operation between Government departments and private landowners and the temporary exercise



of the powers of State autocracy, as in the war economy, are possible ways through.

*Social investment and private gain:* When the State takes a hand to provide harbours, railways, roads, power stations and other essentials of modern industry and commerce, to clear slums and establish "green belts", interference with their rights of ownership is not the only consequence to landowners. What is done under the authority of the State, and therefore at the expense of individual citizens, can bring untold advantages to certain areas, as when a railway opens up a backward farm region. The land thereabouts increases in usefulness and value and the landowners stand to reap fortunes which some would argue are not of their own making. The State has given them a present and that not for the asking. We are not concerned here to debate this issue, but merely to draw attention to it as one of the principal categories of land problems, the counterpart of the problem of confiscation, restriction and interference of private property.

A degree of equilibrium would be established if it were possible to direct the incidence of land taxation and to make it coincident with the incidence of benefit derived from the activities of the State and to use what is levied in this way to compensate landowners who find themselves in the opposite camp, harmed by Government policies. The notorious compensation and betterment problem of the town and country planning debates is a particular example of the general case. The equilibrium ideal stands or falls in theory on the validity of the premise that certain fortunate landowners benefit in a manner unknown and unrealisable by any other sector of society from certain activities of the community. In practice, the achievement of equilibrium bristles with difficulties. To instance just one of them: if it were possible to determine precisely what the contribution to the increase in the value of a particular parcel of land had been made by communal activities, it would in reality be an increase in value of an asset whose liquidity is of a very low order, and to reap the increment in the form of a tax could, in certain circumstances, force a sale of the land. To wait until the landowner has sold the land in his own good time and then tax the proceeds of the sale would dislocate the free working of the land market as landowners would be reluctant to sell except under duress of circumstances.



*Taxation:* Taxation to achieve equilibrium is a fringe problem at the edge of the whole complex subject of the taxation of land. To the taxation of land, as a category of land problems, belongs a wide range of questions concerned with assessment, incidence and motive. We cannot pursue these here nor go so far as to list them. It may be helpful, however, to support the general statement by three examples, each chosen to illustrate one of the three aspects of the subject just mentioned. On the question of assessment, decisions have to be taken whether it shall be the value of the land taxed or the ability of the landowner to pay that should be the criterion of assessment. Local rates in Britain, for example, are assessed on the hypothetical rental value of the hereditaments irrespective of the ability of the rate-payers to meet the rate. History has shown how inevitably under an hierarchical system of landownership where little or no restraint is placed upon the absolutism of the superior owner, the incidence of tax falls upon the owner of the most inferior interest. The motive may be simply to tax land along with other wealth as a source of revenue to the fiscal purse. On the other hand, taxation policy may be an instrument manipulated in the interests of land development, land distribution and redistribution. A tax peculiar to a particular area, class of landowners, or type of proprietary interest may serve to finance a policy or project of exclusive benefit to another area of land or other types of proprietors—the equilibrium principle is a specific example of a levy of this kind.

### *The Lectures and the Classification*

The lectures, whose texts comprise the bulk of the subject matter of this book, deal with contemporary land problems in the United Kingdom. In scope they are very far from comprehensive and the authors, selected as they were from politicians, professional men, government officials and University teachers, differ in their standpoints, modes of presentation, thought and academic and practical experience. Nevertheless, the subjects they deal with can be fitted into the classification of universal land problems which has just been briefly described. They are contemporary only in the variation they display of the universal themes. If we take them out of the pigeon-holes in which they are classifiable as variants of the universals, perennial issues of human society and the land, they appear as novelties, *sui generis*, problems and



policies peculiar to Britain of the mid-20th Century. We must not do this. We must set them against the backgrounds of the universals to which they belong. The purpose of the introductory paragraphs of this Chapter is to enable us to do so.

*Tradition and change:* Since the turn of the century the farmland of Great Britain, especially south of the Scottish border, has been moving out of tenants' hands into the possession of owner-occupiers of the freehold and in the post-war years since 1945 the pace has been greatly accelerated.

Sir Colin Thornton Kemsley in his paper *Tradition and change in land ownership* looks at this redistribution of rural land and its consequences. It is not wholly benign. Like all agrarian changes it makes way for new ideas and institutions at the expense of the good and the bad from the past. The redistribution problem centres here in saving what is worthwhile and making way for the novel and the enterprising. Sir Colin codifies the virtues of the landed tradition of the British countryside and attempts a diagnosis of the malaise, economic, social and financial, which has undermined the stability of the agricultural estate. In especial, he speaks of the disrupting effects of urban acquisitions and of the growth in the number of acres under Government departments and other institutional reversioners. He has another look at land nationalisation, the nostrum of extremists who accuse the harassed landowner of neglect and are ever ready to transfer his diseconomies to the pocket of the tax-payer or to employ Government landlords with powers to dispossess and to make rent advances which they deny to the private man. Land nationalisation, as Sir Colin asserts, is an extremism calculated to do far more harm than good, disruptive of tradition and the harbinger of irresponsible change. He has little time to develop the conclusions he propounds. His briefly stated suggestions are balanced, constructive and as protective of the past as they are progressive for the future.

*Urban development—a new approach:* Mr. Switzer focuses attention upon a particular contemporary problem in the growth and development of cities. In his paper *Urban development—a new approach* he illustrates from the recent planning debates in which a Minister of State, a university, city corporation and county council have juggled with blue prints for the future of the ancient



University city of Cambridge, a problem of urban renewal precipitated by population growth and changes in retailing techniques.

Growth of population, the accelerated speed of modern transport and the ingenuities of multi-purpose stores and supermarkets are forces which can transform parochial, village and suburban shopping areas into regional centres drawing custom from far distances. Where this happens, the shopping centre may develop regional facilities without violent displacement of local society and other cataclasmic consequences. There are places, however, and Cambridge is one of them, where the impact of a regional shopping centre could be inimical to traditional amenities. In such an event radical replanning is inevitable, replanning which brings in its train the problem of reconciling the attitudes and interests of private landowners and the aspirations, intentions and needs of the city and region as social communities. Mr. Switzer addresses himself in particular to this aspect of his subject: his recommendations are the new approach.

*The future of the leasehold system:* When someone takes a lease of 99 years, brand new, stretching away into a long shadowy future, a contract is made whose implications three generations later to a lessee, at the time unknown and unknowable, will appear far different from the advantages now patent to the first lessee at the moment of genesis of the lease. Leasehold enfranchisement, a problem of security of tenure, is a topic of general speculation today because in so many places in Britain the building leases of the mid-19th Century developments are falling in.

Mr. Miles makes this the dominant theme of his paper on the *Leasehold system in modern society*. He makes a point of the definition of the leasehold system and reminds those whose business is with the ground leases or urban development that the leasehold system is not confined to this type of lease. Consequently he has something to say of the advantages accruing to farms and dwellings held on short tenancies at rack rentals. In particular the contribution this form of tenure makes to the solution of the problem of sharing the burden of capital investment in agricultural land. He returns eventually to the ground lease, admits the difficulty a tenant at the end of a long lease has of seeing the simple contractual justice of an unobtrusive expiration, as the original covenantor saw it some 99 years earlier. As a remedy he suggests



a series of renewable leases of the site contingent upon agreements for new rentals and the exercise by the tenant of options for renewal.

*Ownership and architecture:* An architect takes his cue from his patron or client. His client's hands are often tied involuntarily by proprietary limitations over which the client has no control—one cannot build a Taj Mahal on a 30 foot frontage! Or they are tied voluntarily by the type of derivative proprietary interest which the client intends to carve out of a relatively unencumbered freehold. Mr. Shankland takes up this subject in his paper on *Ownership, patronage and architecture* and argues a case in the interests of sound architecture against the fragmentation of proprietorships either as owner-occupied dwellings or as a series of leases and sub-leases, the inter-company concatenation which makes no experiential demand upon the creator reversioner to live with the buildings he erects. In the category of land problems, Mr. Shankland's problem is one touching the alienability of leaseholds and the restraint upon proprietary absolutism. Indiscriminate alienation by the multiplication of sub-leases confuses patronage for the architect who, in consequence, is given no clear concept of the functional purpose his designs are intended to serve.

*Planning and the land market:* One of the great debates of our day asks whether town and country planning controls the land market with its soaring prices for land, or whether the land market influences the directives of the planners. Dr. Lichfield looks at this enigma in his paper *Planning and the land market*.

Advocates of modern town and country planning, not without a hint of a hidden guilt complex, and in moments of high idealism, accept the land market as the ultimate arbiter of the most satisfactory patterns of land distribution to meet private and public requirements. Planning to this end is necessary because the land market lacks those facilities which engender equilibrium of supply and demand. Planning steps into the breach. It sees the picture as a whole. Supply and demand are estimated and, by permits and restraints, the planning authorities bring about that state of affairs which would have obtained had the land market possessed the means of perfect communication.

Dr. Lichfield challenges this idealism, looks at it with a practical,



not unkindly but critical eye. In his analysis he concedes to the land market a dominant role in the distribution of land, but he is not prepared to accept the market as the beginning and the ending either in actuality or in some transcendent form. Public needs for the land, he argues, can never be evaluated even under the most ideal conditions of the market. Dr. Lichfield is an existentialist at this point, an advocate admonishing us to face up to and accept the brute facts of a public and private demand for land in a natural order, and pleading for the introduction and application of cost benefit analysis.



## CHAPTER TWO

### TRADITION AND CHANGE IN PROPERTY OWNERSHIP

by

*Sir Colin Thornton-Kemsley, O.B.E., T.D., M.A., F.R.I.C.S.,  
M.P.*

Travel by train North or West from "the great wen" through the green heart of England, fly South over Scottish hills and Border valleys, speed down the motorways, linger in the by roads—look as you will there is nothing to show when you cross from one man's domain to another's; almost alone in this great anonymity the State Forests and occasional demonstration farms proclaim their identity. Nothing, that is to say, if one excepts, on the *de minimis* principle, the sturdy, squat unobtrusive boundary stones, half recessed at ditch intersections, which indicate, by their deeply carved initials, the meeting points of Scottish estates.

Yet in this ill defined unnoticeable pattern of varied ownership there lies the changing story of Britain's history.

Here is the Past, here is stability—here is change too, but a slow change which is all of a part with rural Britain—here are the golden cords which bind a man's heart to the land he loves, his incentive, his burden and his great reward.

And of a part too with this modest anonymity of defined land ownership is our lack of precise information about the sizes in which these varied parcels of land are held and the main uses to which they are put, for statistics of land use and ownership in this country are woefully inadequate. In fact there has been no attempt at a Domesday Book survey since the publication, in 1875, of the great *Return for 1872-73* which, in respect of each county other than the Metropolis, listed the name and address of every



owner of an acre of land upwards with the acreage and estimated annual rental of the lands of individual owners.

Table 1 shows the percentages of land comprised in estates of various size groups at that time. They have been calculated from this source, which in turn was based on information supplied by individual landowners in respect of the year 1872. It will be seen that over 70 per cent of the land area in England and Wales was held in estates of 5,000 acres and less and 43 per cent in estates of under 1,000 acres.

In Scotland, on the other hand, nearly 70 per cent of the land area was comprised in estates of 10,000 acres and upwards and only 7 per cent was held in estates of under 1,000 acres.

TABLE 1

LANDED ESTATES IN 1872  
ENGLAND AND WALES

(a) <i>Size of Estates (acres)</i>	(b) <i>No. of owners</i>	(c) <i>Estimated acreage in size groups</i>	(d) <i>Percentage of total acreage in size group</i>
Under 1,000	960,867	14,316,562	43.4
1,000—2,000	2,719	3,799,307	11.5
2,000—5,000	1,815	5,529,190	16.8
5,000—10,000	581	3,974,724	12.0
10,000—20,000	223	3,098,674	9.4
20,000—50,000	66	1,917,076	5.8
50,000—100,000	3	194,938	.6
100,000 and upwards	1	181,616	.5
Unaccounted for	6,561	1,423	—
	<u>972,836</u>	<u>33,013,514*</u>	<u>100</u>

SCOTLAND

(a)	(b)	(c)	(d)
Under 1,000	130,351	1,360,719	7.2
1,000—2,000	591	835,242	4.4
2,000—5,000	587	1,843,378	9.7
5,000—10,000	250	1,726,869	9.1
10,000—20,000	159	2,150,111	11.3
20,000—50,000	103	3,071,728	16.2
50,000—100,000	44	3,025,616	16.0
100,000 and upwards	24	4,931,884	26.0
Unaccounted for	22	1,147	—
	<u>132,131</u>	<u>18,946,694</u>	<u>100*</u>

\*including fractions.



At the upper end of the scale estates of 100,000 acres and over accounted for only one half of one per cent in England and Wales, whereas in Scotland, which includes of course the great Highland estates and a large area of deer forest, the estates in this category occupied over one quarter of the land area.

But this was before the great agricultural depression of 1879-97 and much that has happened since to reduce the size of individual landholdings.

#### BREAK-UP OF LANDED ESTATES

##### *Building development*

In the first place there has been a steady fragmentation of estates in land to satisfy the land-use requirements of an ever-growing population.

Ninety years ago the population of Great Britain was only 26 million; today it is over 51 million.

What has this meant in terms of a reduction in the area of the landed estates?

Between 1951 and 1961 the population of Britain increased by 2.396 million and some 365,000 acres of farm land were taken for building and general development,<sup>1</sup> so the land requirements for this increase of population, including the provision for schools, hospitals, places for work and so on, has been about one acre for every 6.6 persons. This is certainly a more extravagant use of land than would have obtained during the previous eighty years—years which saw a great deal of speculative development at comparatively high densities—and it would be nearer the mark to assume that every acre required for housing and ancillary development during the period 1871 to 1951 would have provided facilities for an average of fifteen persons, giving rise to a land requirement of over a million and a half acres or a total in excess of one and three quarter million acres for the ninety years' population growth.

Incidentally experience of the past ten years suggests that we must anticipate an average annual loss of farm land (and a further decrease of estates in land) of the order of 30,000 acres a year to provide for the projected population increase of 3 millions in the next fifteen years. Although this total of 450,000 acres in 15 years is only about  $1\frac{1}{2}$  per cent of the area in crops and grass it almost certainly represents a higher percentage of our agricultural



capacity, since the land most likely to be taken for development is the more level well-drained land near towns which is often of higher than average agricultural quality.

Even so the loss of, say, 3 per cent of the Nation's agricultural capacity, though regrettable on other grounds, is likely, if recent experience is a guide, to be more than offset by the predictable increase in farming efficiency and output.

### *Taxation*

In 1875 income tax was 2d. in the £ and surtax was unknown. Taxation on an increasing scale, and in particular the threatened land valuation clauses of the Lloyd-George Finance Bill of 1909-10, led directly to the break-up of landed estates.

In 1910-14 farm rents were substantially below the commercial level and many landlords, either unaware of this or unwilling to raise the rents of farms which in many cases had been held by the same families for generations, were in no position to refuse offers to purchase the whole or substantial portions of their estates made by speculators who thereupon sold individual farm-holdings to sitting tenants or with vacant possession. The high price of wheat (which stood at over 70s. a quarter in the years 1917-21) during and after the war years led to keen competition for farms and accelerated the tendency towards owner occupation, so that by 1925 the ownership of over 25 per cent of the holdings in England and Wales had passed to the farmers who farmed them.

But probably the greatest factor in hastening the break up of the larger estates in land has been the drain of capital from the land—in spite of the abatement given in 1925 in respect of agricultural land—for payment of Estate Duty upon each succession. In a recent letter to *The Times*, Mr. J. G. Eve quotes the saying that the greatest luxury a rich man indulges in is to die, and he adds that no larger cheque is likely to have been written during a man's lifetime than will be sent by his executors to the Inland Revenue after his death, representing as it may do up to 80 per cent, subject to agricultural relief, of the capital assets of an estate.

These factors have led to what has amounted to little short of a revolution in land ownership.

At the time of the outbreak of the first world war some 80 per cent of the farmland in England and Wales was farmed by tenants;



most authorities are agreed that today about half our farmland is owner-occupied.

*Corporate and institutional investment in land*

A third factor leading to the break up of landed estates has been the increased acquisition of land, for purposes other than development, by public bodies of one kind and another and for institutional investment.

Generally speaking investment in tenanted farmland has not in the past yielded a return comparable to that of investment in other types of property, though by a careful selection of years for comparison a contrary trend can be shown over relatively short periods.

Sir Richard Verdin,<sup>2</sup> for example, has calculated that between 1938 and 1959 the value of tenanted farming land increased by 240% while equities during the same period rose by only 208%. On this showing agricultural land appears to be an excellent "growth stock" and since the war it has attracted a number of institutional investors, of which insurance companies and the pensions funds of one or two of the Nationalised industries are examples. In fact, as Sir Richard himself points out, because of the low value of agricultural land at that time, 1938 is not a fair starting point and figures for the ten years 1950-60 would tell a different story, the rise of equities during this period being approximately twice as great.

Dr. W. R. Logan<sup>3</sup> has pointed out, hypothetically, that ten per cent interest paid during a period in which there is a steady inflationary trend of 9 per cent represents only 1 per cent real interest and 9 per cent amortisation of capital, since in order to maintain his capital at the same level, a money-lender will have to re-invest 9 per cent to make up his loss of capital owing to inflation.

An inflationary economy in this way leads to a decrease in the income from investment in property and it is not surprising that the interest derived from investment in land has been low in comparison to the yield derived from industrial investment.

If, as research carried out under Dr. Denman suggests, the average return from investment in agricultural land in the 10 years following the end of the war averaged only 1 per cent, this was at any rate a real interest, since the buildings and land from which it arises have all the time been increasing in monetary value.



To this extent investment in agricultural land is a hedge against inflation. Certainly the investor in let farmland has done very much better than the investor in Government stocks, industrial debentures or fixed mortgages, for he alone among such investors has his capital intact.

Although the Estate Duty concession of 45 per cent for agricultural land is of no advantage to corporate bodies who, like old soldiers, never die, the other preferential tax allowances enjoyed by agriculture—the capital expenditure claims, initial allowances and maintenance claims—have proved an attraction to institutional investment in agricultural land and this type of investment is likely to be further encouraged by the more realistic farm rents made possible by the operation of Section 2 of the Agriculture Act 1958.

These various factors—the fragmentation of estates in land by building development, sales of farms to meet death duties, the trend towards owner-occupation and the increased investment in agricultural land by Government Departments, Corporations and institutional investors—have led to a striking decline in the number and size of the great landed estates. In an article in *The Daily Telegraph* in the autumn of 1961, Mr. L. G. Pine stated that during the twenty-five years that he had been connected with Burke's *Landed Gentry* there was an ever growing number of landed proprietors who were driven by economic difficulties to leave the land. Up to 1914 the standard for admission to *Landed Gentry* was, in general, the possession of 2,000 acres of rural land. It would have been impossible, he wrote, to apply that standard after the first world war and about one third of the entries in the current edition related to people who no longer owned land.

What does all this amount to?

We are witnessing, in Britain, the gradual replacement of the old landowning class, with its corollary the widespread system of tenant farming, on the one hand by a number of public authorities and corporate bodies, and, on the other, by a far greater number of occupying owners who farm their own land.

Table 2 gives an indication of the amount of corporate investment in rural land at the present time; it has not been found possible to include figures relating to investment by insurance companies and other institutional investors.



TABLE 2

## CORPORATE INVESTMENT IN RURAL LAND IN BRITAIN

<i>Institution</i>	<i>Area (acres)</i>	<i>Source and Remarks</i>
The Crown Estates	278,369	Report of the Crown Estates Commissioners for year to 31 March 1961.
The Duchy of Cornwall	138,000	Duchy Office. Area includes 80,000 acres of limited grazing land on Dartmoor.
The Duchy of Lancaster	33,850	Duchy Office.
Agricultural Land Commission (England and Wales)	130,890	Report for year to 31 March 1961.
Department of Agriculture for Scotland	807,254	Report for 1961.
The Service Departments	800,000	Hansard 6 Apl. 1960. Col. 360. Not all used for agriculture.
The Forestry Commission		
(a) England and Wales	94,500	Report for year to 30 Sep. 1961.
(b) Scotland	413,000	
The Church Commissioners	213,830	Report for year to 31 March 1961.
The County Councils		
England and Wales	422,677	Society of County Treasurers published January 1962. County Councils in Scotland have no statutory authority to operate agricultural or small holdings.
The National Trust	300,000	Of this area 115,000 acres are let on agricultural tenancies (1961).
University and Colleges of Oxford and Cambridge	291,383	C. S. Orwin and W. R. Peel (1925). This figure relates to 1918 and no later figures can be traced.
The National Coal Board	209,000	204,000 are let on agricultural tenancies and 5,000 acres are managed directly by the Board (Jan. 1962).
<hr/>		
4,132,753		

## SOME TENTATIVE CALCULATIONS

We can now make some tentative calculations, they can be no more than that, of the percentage of rural land in Britain which is corporately owned, which is owner-occupied or which remains in private ownership.

Robin Best of Wye College published in 1959 a useful table of land use in Great Britain in 1950<sup>4</sup>.

By deducting the subsequent net decreases in agricultural land referred to earlier it will be found, in round figures, that the land area of Britain extends to some 56 million acres of which 45 million acres are devoted to farming of one sort or another. How-



ever, of this so-called farming area less than 29 million acres are under arable cultivation or permanent grass, the remaining 16 million acres being rough grazing on mountains, heath or moorland. Woodlands and forests occupy rather under 4 million acres and ungrazed deer forests in Scotland account for a little under 2 million acres<sup>5</sup>.

In 1958 50.7 per cent of the acreage in crops and grass in Scotland was rented by the occupiers and 49.3 per cent was owner occupied<sup>6</sup>. No separate figures are available in respect of England and Wales but we know that nearly half the farms in Great Britain today are owner-occupied<sup>7</sup> and since, as we have seen, it is generally accepted that half our farmland too is farmed by its occupiers we can start with this figure, which is equivalent, on Best's figures as adjusted, to 14.5 million acres. We have seen from Table 2 that the area of rural land owned by Government Departments, Local Authorities and other corporate bodies amounts to rather over 4 million acres, of which at least half a million acres is woodland; we are unlikely to be far out if we assume that the balance, or 3.5 million acres, is let farmland.

On this basis, of the total area under crops and grass in Great Britain, 50 per cent is owner occupied, 12 per cent is occupied by public bodies of one kind or another and the remainder, 38 per cent, is either privately owned or is held for institutional investment.

### *Numbers of farm holdings*

Professor Sir Solly Zuckerman has pointed out that Britain's farmland is broken up into some 440,000 units, of which about 350,000 are under 100 acres in extent, the national average being only 66 acres<sup>8</sup>. From Table 3, from which holdings of under 5 acres have been omitted since these make no significant contribution to agricultural productivity as a whole, it will be seen that although there has been a progressive and recognisable increase in the size of holdings, over one half of all the farms in Britain are under 50 acres in extent.

Since it is upon this aspect of the private ownership of agricultural land that advocates of land nationalisation have in large measure based their case, it might be well at this point to examine their contentions and to ask ourselves whether these constitute a *prima facie* case for expropriation.



TABLE 3  
NUMBER OF AGRICULTURAL HOLDINGS IN GREAT BRITAIN  
excluding the 1-5 acre group

<i>Size Groups (acres)</i>	5-50	50-150	150-300	Over 300	Total of foregoing
1925 No. in group	224,981	108,885	42,469	15,324	391,659
%	57.4	27.8	10.8	3.9	
1950 No. in group	191,429	106,838	40,087	14,778	353,132
%	54.2	30.3	11.3	4.2	
1960 No. in group	163,511	101,008	39,375	16,557	320,451
%	51.0	31.5	12.3	5.2	



THE THREAT OF NATIONALISATION

From the days of the Communist Manifesto of 1848 Socialist theorists have advocated the nationalisation of the land.

It was officially advanced as Labour Party policy in "Policy on Agriculture" (1938), was commended by my greatly respected former tutors Dr. C. S. Orwin and Colonel W. R. Peel in what, in these surroundings, I should perhaps call "another place", and powerfully urged by Sir Daniel Hall in "Reconstruction and the Land" (1941). Since Hall's was perhaps the most exhaustive advocacy of recent times it will help to an understanding of the subject if we examine the principal grounds he advanced in its favour.

1. Farms in this country, he said, were too small; their amalgamation and reorganization could be secured only by unification of ownership, therefore their acquisition by the state was essential.
2. Moreover a great deal of land needed reconditioning; this could only be achieved by large capital investment, and investment on the scale required could be supplied only by the State. It follows that if the State is to supply this money the State itself must first have assumed ownership.
3. State ownership was necessary to direct "development" of all kinds to the less valuable agricultural land.

For these reasons he urged the purchase by the State of all land lying outside the jurisdiction of urban authorities, payment being made in long-dated Government Stock.

Management would be entrusted in the first instance to the Commissioners of Crown Lands, who would let land to tenants or, where required, would pass it to a Government financed Agricultural Development Corporation for reconditioning and allocation into larger units. The object of the exercise would be to increase the production of foodstuffs from our fields by providing a plan for "improving the layout of British land, for the amelioration of its soil and the reorganization of the personnel of farming"<sup>9</sup>.

Sir Daniel points out that in the early days the Crown was the ultimate owner of all English land, later the Lords of the Manor were granted freehold ownership in exchange for certain customary tenancies. Under the pressure of economic circumstances the yeomen were dispossessed and the great estates were put together.



The system of tenant farming in the 18th and early 19th centuries enabled specialisation of production and sales to the growing industrial towns and at the same time released a large number of what otherwise would have been a rural peasantry for industrial work.

He held that his proposals were "an orderly progression along the line British farming has been following throughout all its history". "We can no longer afford", he said, "to allow competition to kill off the weaker units until economic pressure alone forces the aggregation of the lands into farms that can live on their own powers of production . . . still less can we afford to continue to patch up the old structure and keep it in being by subsidies from the general taxpayer. We must quicken the process of planning to get rid of the time lag and distress that comes from leaving competition to do, in its disorderly fashion, the work of eliminating inefficiency".<sup>10</sup>

More recently the cudgels have been taken up by my neighbour in the Mearns and former political opponent John Mackie, a large and successful farmer who is the present Labour Member for Enfield East. Writing in collaboration with the present Lord Walston, who also farms on a large scale, in 1958<sup>11</sup>, Mackie follows generally the Daniel Hall line but makes the additional point that reafforestation and woodland management would be facilitated if all woodlands were placed under the Forestry Commission. He thinks rented farm land could be taken over straightaway and would entrust the overall control of the National Estate to a National Land Board which would operate through local Land Boards appointed to represent local interests.

Lord Walston asks two questions:

1. Will land nationalisation make a significant advance towards the abolition of privilege and injustice?
2. Is it the most effective way of increasing agricultural production?

He believes that the justification for land nationalisation can no longer be found on social grounds. It must be on its economic effects that it stands or falls and on these grounds he comes to the conclusion that "there are strong practical reasons why the wholesale nationalisation of the land would result in inefficient administration, lack of confidence and opposition by farmers and



by all those with ambition to become farmers, and a general feeling of uncertainty throughout the whole farming community which could only have an adverse effect upon producers."<sup>12</sup>

Instead he advocates the nationalisation only of such land as can be shown to be producing less than it should because of its present ownership. But this "functional" nationalisation, as he calls it, would have to be in areas sufficiently large for efficient management and a start might be made with land adjoining blocks which are already in public ownership. He believes in this way steady progress could be made towards the ultimate goal of effective control of a basic means of production.

When land nationalisation first became a Socialist objective the ownership of land conferred prestige, power and privilege to an extent unknown today. The great territorial landlords exercised a powerful influence upon the government and the economy of the country; even the squires and lairds were accorded, in their lesser territorial spheres, an almost feudal obedience.

G. P. Judd<sup>13</sup> writes that almost three-quarters of the 5,034 Members of Parliament between 1734 and 1832 were "mainly concerned with the land rather than with other forms of wealth".

By contrast "The business background of Members of Parliament" (1962), based on data assembled since 1955 by Andrew Roth, lists 68 members of the present House of Commons who have an agricultural background and of these only twelve are described as landowners.

Wealth is now found only incidentally among the landowning classes and then often because it has been won in industry and commerce. It is hardly surprising therefore that land nationalisation is no longer advocated as a means of redressing social wrongs and that its advocates should seek to rely instead upon grounds of business efficiency. "The motive" (for nationalisation) wrote Sir Daniel Hall<sup>14</sup> "is one of expediency, in that agriculture—a fundamental interest—can only be placed upon a sound and progressive footing, adapted to meet the needs and resources of the time, if the State obtains the control of the land that ownership confers."

How outmoded this argument sounds in the light of the subsequent achievements of the farming community, with a net output now in excess of 80 per cent above the pre-war level and an annually increasing efficiency which, in money terms, can be



expressed, taking one year with another, as £25 million a year in respect of Price Review commodities alone.

No doubt the production would be higher still, and the efficiency greater, were agricultural holdings throughout Britain of a more economic size.

“Ah, Love! could thou and I with Fate conspire  
To grasp this sorry Scheme of Things entire,  
Would not we shatter it to bits—and then  
Re-mould it nearer to the Heart’s Desire!”

But we cannot do that; we are compelled, in this imperfect world, to make the best of the situation in which we find ourselves.

To bring about the reorganisation of the size of holdings by nationalisation would, on its advocates’ own showing, take thirty or forty years to complete. It would give rise to bitter political strife, to a complete disruption of the orderly progress of our agricultural industry and to innumerable cases of personal hardship as the tenants of the smaller farms were evicted by the remorseless machinery of the State.

Is it worth it?

We have seen that farming efficiency has increased to a remarkable degree under the present system of part owner-occupation and part tenant farming; we have seen too that the average size of farms is increasing; we know that the capital equipment of our farms has been modernised out of all recognition in recent years and that there is no shortage of modernly appointed farm cottages. As for nationalisation being necessary, as Sir Daniel Hall suggested, to steer development towards the less valuable farm land, this is done, or at least attempted, today by inter-departmental consultation in the consideration of planning applications and appeals and if in some cases wrong decisions appear to have been made the remedy lies in greater co-ordination and not in dismantling the whole panoply of land ownership.

Moreover, in Professor Hayek’s words<sup>15</sup> “in order to give the necessary scope for private development of any one piece of land, the leases that would have to be granted at fixed rents would have to be for such long periods (they would also have to be made freely transferable) as to become little different from private property, and all the problems of individual property would reappear.”



PUTTING OUR OWN HOUSE IN ORDER

If we reject the idea of land nationalisation, whether outright, or on Walston lines, by stages, it does not mean that there is no contribution we can make to remedy some of the defects in the present system which its advocates have advanced as a reason for expropriation. On the contrary there is much that can be done to introduce changes which, because they will be based upon experience and will have evolved naturally in response to proved needs, will be more likely to be on sound lines and to be permanent—and as Professor Hayek has said, “the greater the freedom of experimentation allowed in existing arrangements, the greater will be the likelihood that changes will be made in the right direction,”<sup>16</sup>

Let us consider two aspects of this matter.

*Amalgamation of farm holdings*

There can be no doubt at all that if efficiency were the sole criterion farms should be grouped in sizes which would allow the most economic use to be made of capital equipment, mechanisation and management.

But efficiency is not the sole criterion and any policy which could be seen to have as its object the eventual elimination of the small holding and the family farm would be opposed, and rightly so, by those who believe that farming is a way of life which should not be open only to the man with the long purse and the broad acres.

That is not to say that we should not plan to increase the size of uneconomic holdings.

Unhappily little use has so far been made of the grants towards certain costs involved in the amalgamation of holdings.

No applications at all have been made in Scotland and only 16 schemes had been formally approved in England and Wales by the end of March 1962; however approval in principle has now been given to a further 76 schemes of amalgamation, the total area concerned being 11,526 acres,<sup>17</sup> so there is some indication that the possibilities of these grants are beginning to be realised.

That more could be done is suggested by the experience in certain Continental countries. G. P. Hirsch<sup>18</sup> has described, for example, how Sweden is attempting a gradual change in the size



of holdings without resort to compulsion. By legislation passed since the War the State has been given a right of pre-emption in cases where land which is offered for sale can be used to create larger and more economic units.

Under this legislation it is estimated that in the ten years from 1947 about 5,000 small farms disappeared each year.

Denmark, France, Belgium, Western Germany, the Netherlands and Switzerland are all operating, in greater or less degree, schemes of State-encouraged rationalisation of the agrarian structure.

In Switzerland, as a result of the amalgamation of farms, labour input is said to have been reduced by between 10 and 25 per cent whilst at the same time there has been an increase in gross returns of the order of 20 to 30 per cent.

Means of assistance which should be examined in this country might include the possibility of the State contributing towards the costs involved in exchanges of land and the establishment of a statutory procedure for local enquiry into the need for amalgamations and for convening meetings of owners and occupiers to discuss the formulation of a plan.

Nor should we overlook the possibility of making small farms viable by the encouragement of co-operation and the use of the new grants of one third of the cost of the provision of buildings for grain drying and storage for farming syndicates.

Finally in this connection landowners and their advisers would do well to follow the advice of Sir Richard Verdin, until lately President of the Country Landowners Association<sup>19</sup> who urges that a plan should be made of every estate as it ought to be in fifteen or twenty years' time and that expenditure should conform to that pattern, so that money is not spent needlessly on farms which ought to be absorbed into others.

### *The need for capital*

We have seen that a second reason advanced in favour of land nationalisation has been the need for capital investment in the land.

Capital investment in agricultural land has been deliberately encouraged by preferential taxation, including the 45 per cent estate duty concession, capital expenditure claims by means of which the cost of an improvement can be set off against taxation over a period of 10 years, the initial allowance of 10 per cent of the



cost of improvements and the acceptance of maintenance claims. It has been encouraged too, by grants for reconditioning farm cottages and for any approved work which is calculated to increase the efficiency of a farm in terms of the highly successful Farm Improvements Scheme of 1957.

This capital has not in the past been derived from rental income, it has come rather from sales of land or of timber. In recent years welcome injections of estate capital have been made possible by purchases of agricultural estates for the advantages they offer in terms of taxation, amenity and sport—and it's worth noting that the much maligned "hobby farmer" is by no means a dead loss to agriculture.

Historically landlords supplied the capital for the equipment of farm holdings at an exceedingly modest rate of interest.

If that class is gradually disappearing, what is to take its place?

The answer lies in the landowning corporation and the institutional investor, both of whom have adequate supplies of investment capital.

The attraction of this form of investment lies in three main factors.

1. The "growth" potential inherent in ownership of a commodity of which the global supply is limited.
2. The fact that agricultural land is still a hedge against inflation.
3. The ability to charge all improvements against income and to write off the cost in as short a period as ten years.

For these reasons we are likely to see an increasing tendency for property companies and investment trusts to include tenanted agricultural estates in their portfolios as competition drives up the price of investment in bricks and mortar and further decreases the yield from equities. Provided the management is sound this development is to be welcomed in so far as it will help to maintain the landlord and tenant system which has brought such manifest advantages to British agriculture.

#### THE PERPETUATION OF PRIVATE OWNERSHIP

Dr. D. R. Denman has listed the inherent qualities of land-ownership in Britain.<sup>20</sup> My own list, in compiling which I acknowledge my indebtedness to his inspiration, is as follows:—



*A deep-seated love of the land*, fortified not infrequently by the amenities of a country seat and the love of rural sport.

*A determination to conserve the inheritance*—a determination which impels heads of landowning families to conspire to defeat the claims of a rapacious Treasury by assigning the inheritance to their heirs, passing their declining years as pensioners, by their own volition, of their landed elder sons.

*Benevolent paternalism towards tenants* and a sense of social obligation to a rural society.

*Prudent estate management* combined often with an inherited skill in the techniques of farming and forestry and a tradition of leadership in these matters.

*An innate conservatism* and a suspicion of change derived largely from close contact with the perennial changelessness of nature.

Naturally these qualities are not found in all landowners, but that many of them are not uncommonly found in British landed families is perhaps one reason why the system of tenant farming under private landlords has survived in this country to the undoubted advantage of the land and of those who farm it.

Can we expect that the private ownership of estates in land will continue in spite of the pressures which make for its extinction?

I believe we can.

Before the war we used to think of agricultural land as an investment which was as secure as "the Funds". Today it yields rather less than government stocks but more than the "blue chip" equities—and of course the more realistic farm rents which are now possible make it more likely that landlordism can be made to pay.

My friend Mr. Richard Trumper of Cluttons tells me that an examination of the rents of 182 farms in the southern half of England which had been let or re-let in terms of Section 2 of the Agriculture Act 1958 showed that in 144 cases the sitting tenants accepted new tenancy agreements at rents increased from slightly under £3 to an average of £4 10s. an acre, that in 31 cases new tenants were found at rents which averaged rather over £5 an acre and that in the remaining 7 cases the rents were increased on arbitration from an average of just under £2 10s. to £4 an acre.

In an article in the current number of *A Year's Purchase* the Journal of the Cambridge University Estate Management Club



and Society, Mr. Peter Trumper shows that on 300 farms covering about 70,000 acres in fourteen counties in the South of England—farms on which the rate of capital expenditure is probably above average—the average rents increased from 57s. an acre in 1957 to 88s. an acre in 1961 and he believes that this average rent of 88s. an acre is likely to rise to £5 within five years, assuming there to be no violent change in the profitability of farming.

I believe this to be a fair indication of a general trend—a trend which is likely to make the ownership of landed estates more profitable, which in turn should be followed by an increased ability to maintain and improve the fixed equipment of farms.

Moreover the advantages which have attracted institutional investors to farm land are equally available to private landowners, who in addition benefit from the estate duty concession on agricultural land and from the right to pay duty on growing timber at the time of its disposal instead of at the date of death.

For these reasons private landlordism is not yet doomed. I am sure this is a good thing for its contribution to the economy of the countryside, no less than to the British way of life, has been such that we ought to do all that we can to preserve for posterity the advantages of the system.

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*Sir Colin Thornton-Kemsley's Reply to the reports of the Discussion Groups*

Mr. Chairman, gentlemen, I had not thought that my paper, which was in the main I hope factual, would give rise to any great discussion at all, because I sensed that there would not be many in this audience who were in favour of the nationalisation of land and I could not really think what else there was to discuss. So I am surprised and gratified that so much has been found to occupy the first part of the deliberations of the five groups.

I am sure that Group 1 was wise in deciding that the key to good landownership was the possession of adequate capital. That is why I personally welcome the investment in land by corporate and institutional buyers. Now of course it is quite true that there has been a movement in and a movement out, as is always the case; as one group recollected, Guy's Hospital have been dispossessing themselves of some of their agricultural land. But I do not think that Group 2 was right in thinking that institutional investment has been confined mainly to land on the outskirts of towns. That has certainly not been my experience. It is of course true that a great many building contractors, particularly some of the larger contractors, are actively buying "white land", putting it into what they call a "land bank", into stock, and hoping that one day they will be able to get, through the medium of retained Queen's Counsel, whom they employ to conduct appeals on their behalf, permission to develop that land. And for that reason they give, and I use another one of those horrible terms that are being bandied about these days, they give "hope value" for agricultural land and that is why we are finding in many cases that although land is so called "white land" with no immediate prospects of development, nevertheless there are people who are prepared to give more than agricultural value for it. There is an element of hope value about it—a term well known to district valuers, of course, one is always hearing it.

Group 4 thought that on the whole the owner occupation of farm land was perhaps the ideal system. Well, it may be. I think that the disadvantage is that so much capital is locked up that the man who owns his own land frequently finds that he has not got the capital to exploit it as he ought. I think the great contribution which our system of landlord and tenant has made throughout the history of these islands is that by and large the large landowners have provided the capital resources at a minimal rate of interest, and thereby agriculture and their tenants have benefitted considerably.

I am asked by Group 5 what is the economic size of the farm unit. You know, I think it is one of those things that one recognizes in practice. If you will forgive me just one personal example; we had at my home in Scotland two farms in hand and a croft, a smaller one, and also we were renting an upland farm in Aberdeenshire where we used to send stock for fattening during the summer. My son was managing the whole thing and it became clear to me that he was overstretching himself—the journey to Aberdeenshire was too much, and with an Aberdeen Angus herd and an Ayrshire herd to manage it was too



much and so we gave up the rented farm, and it has been very much better since because we have got the size of unit that he can manage. He recognizes that, I recognize it, and we are getting full value from his time. Now it is quite impossible to lay down a size which is optimum or anything like that; obviously it must depend on the soil and on the kind of production that you are carrying on. A large sheep farm runs into thousands of acres, of course; intensive production a very much smaller area. It is quite impossible to lay down any size and to be dogmatic about it; I think it is one of those things that you yourself know when you see it. And I think on the whole prudent estate managers and landowners would know pretty well the right size unit to give full value for individual management and attention.

Well, now, I am not going to be tempted to embark on speculation about the influence of the Common Market, although Group 5 might like me to, on institutional investment in agricultural land. I think about that we had better perhaps wait and see.

Thank you very much indeed.



## CHAPTER THREE

### URBAN DEVELOPMENT—A NEW APPROACH

by

*J. F. Q. Switzer, M.A., F.R.I.C.S., F.L.A.S.*

#### *Introduction*

It is often said that a lecturer and particularly a University Lecturer, (a) has only one lecture that he can give, and (b) can only talk for exactly fifty-five minutes at a stretch. I hope to prove today that neither is necessarily true, but by way of a nodding acknowledgement to this dictum, I propose to start by giving you part of another lecture. I feel that this is in fact a useful starting point because I would like to explain to you my outlook on planning.

The role of town and country planning as I see it is five-fold. First of all it is to secure the carrying out of development which, without financial or constructional aid, would come about slowly or perhaps not at all. Clearly urban renewal is just such a thing, or large-scale decentralisation. Second, it is to ensure that the best possible use is made of the resources, public and private, put into development; for example, to co-ordinate location of industry and its associated residential development, or to secure reorganisation of farm layouts when a motorway is built. Third, it is to ensure that development being carried out is well sited, well designed, and healthy, both physically and socially. Fourth, it is to preserve our heritage of buildings and countryside, and to procure new areas of beauty and peace for recreation. And fifth, it is to protect the rights of the individual against overthrow, not only by other individuals but by the state and by large public and private bodies.

Now because that is my outlook on planning, I believe it must have four qualities. It must be democratic—clearly it must be subject to democratic control if it is going to have the all-embracing



role that I have described. It must be positive, because even preservation must be looked upon in a positive kind of way—it is no good merely hoping that things will remain beautiful, because they tend not to—and certainly the great tasks of reconstruction and revitalisation need the positive outlook. It must be comprehensible, and its results must be comprehensible if it is to gain public support. And finally, it must be comprehensive. To my mind the danger to the citizen of partial planning, uncoordinated activity, initiated by, or backed by a government department or by public money, cannot be exaggerated. To pretend that this sort of planning does not exist at the national as well as the local level, or that we are all perfectly safe so long as we do not call it planning, is really to place ourselves on the slippery slide to the pit. Planning is with us: it is a very large and complex machine, a whole series of machines, spending our money and affecting our lives in many different ways. And apart altogether from our professional interest, each one of us should be vitally concerned to see that the machines are connected up to work in one direction; to see that so far as we are able to define the common good, the machines are operating as efficiently as possible towards that end; and to see that what the machines do comes under public scrutiny and receives public approval.

### *The planning problems of Cambridge*

That is my outlook on planning, and having been asked to lecture on the planning of town centres I thought there was no better way of taking up your time than by looking at the problems of Cambridge, partly because most of you know Cambridge, and it is much easier to discuss a town that you know; partly because it is a fascinating town in itself and it has special circumstances which make its planning problems particularly interesting and pressing; and thirdly, because the public enquiry into the Development Plan is now going on at the Shire Hall. So what I want to do is to look at Cambridge and its problems and then see what general lessons we can draw from this study.

The essence of Cambridge is its medieval town centre. If you look at plans of the city going back to Elizabethan times you will find that there have been few changes to road pattern and road widths; it is essentially a medieval town centre which now has to serve the needs of a large town including a major University. (The



town has grown from about 10,000 in 1800 to about 40,000 at the beginning of this century and to something like 95,000 now). It also has to serve the needs of a region containing a total population (including Cambridge) of between 300,000 and 400,000 people. And it has to serve the needs of national and international visitors—a relatively recent role, of very great and growing importance.

The problem is first of all to avoid destruction of this historic city centre, and indeed, if one has the positive outlook on planning, to enhance the character of the historic part of Cambridge. But the second part of the problem is to adapt the town centre to meet the needs of the twentieth century. We cannot close our eyes to these needs. They arise, I suppose, under three headings. First, what one may conveniently call “the affluent society”. This has brought increased consumer spending, particularly on durable consumer goods—I must use the term, but it simply means things like more permanent bits of household equipment, furnishings, clothing, and so on. These are the sort of things that people buy in the bigger, the regional, shopping centres. You do not buy them at your local corner shop or in your neighbourhood shopping centre. You come to the main shopping centre, where you get a bigger selection of shops including “quality shops” and a bigger range of goods in the shops, and where in any case it is more fun to come. Between 1900 and 1955 total consumer expenditure per head of population rose by about 25 % (allowing for the decline in the value of the pound). Between 1955 and 1970, if a national growth rate of 4 % per annum is achieved, it may rise by about 55 %. But if you turn to consumer durables and clothing, expenditure per head doubled between 1900 and 1955 and is likely to double again between 1955 and 1970. It is this increase in expenditure which has very largely come, and in the future will come even more, to the regional shopping centre.

Town centre needs arise secondly under the heading of increased mobility. There is no need to go into detailed figures of increases in traffic or in car ownership—nationally the latter has grown about three-fold since 1948. Clearly, there will come a levelling off, but the fact is that all the estimates were wrong. At the end of the war the Ministry of Transport advised planning authorities to reckon with a 75 % increase on pre-war figures, over the twenty year period 1951–71. The plan for Cambridge, far-sightedly, was based on a possible doubling of traffic within twenty years. But of



course it has doubled within nine years. Even without an increase in the regional population, more people in the region are able to come to shop, bringing with them their problems of moving and parked vehicles. But there has been an increase in population, and this is the third heading. The eastern region of this country is the region with the greatest population increase, and the proposals for decentralisation from London will bring more people into our region—towns like Bury, Haverhill, Peterborough, Thetford, and so on. There may be a large influx of new population, and it is possible that the development of Common Market contacts may further increase the prosperity and busyness of East Anglia which, let us face it, is at present an underdeveloped area.

These three changes in fact give rise to a single need, the need for extra space for the central area. And this need must be met, given that the centre of Cambridge is contained by a ring of College and University buildings which prevents expansion of the present centre and limits access to it.

I said a moment ago that there were two parts to the problem: to avoid destruction of character and to adapt the town centre to meet modern needs. Here immediately is a conflict; and the conflict very simply is between the character of the medieval street pattern—the irregularity of buildings and frontages, narrow streets, the small scale generally—and the large shop unit. For whether we like it or not, one of the essentials of the modern shopping centre is the large shop unit, the large building with the large display frontage, and this sort of slab-fronted building, however well designed, is incompatible with the scale of a medieval town centre. Forcing its way across the whole picture, bringing a further element of conflict, is the motor-car; for traffic, whether moving or stationary, is one of the great destroyers of character. Put in another way, the conflict is caused by the addition to the University and town functions of regional shopping. This is a new function, in the sense that it has grown so rapidly since the end of the war that it is different in kind, not merely in scale, to the market town function which the historic centre performed in the past.

### *The nature of shopping centres*

There is the problem. Before looking at the possible remedies I should like to say a little more about the nature of shopping



centres so that we can consider what we have to provide in Cambridge. I would define shopping centres in three categories. The neighbourhood centre, which is a small group of perhaps one to ten shops selling perishable goods, foodstuffs and so on, and with tobacconist, newsagents and the rest: the community centre, which contains a fairly wide range of food shops together with low-price durable-goods shops and possibly one or two variety chain stores—a small Woolworths, or something of that sort; in fact the typical small market town like, shall we say, Newmarket: and finally, the regional shopping centre which has all the shops found in the other centres and also a number of department stores and an increasing number of multiple traders. This is the big-turnover centre with the big-turnover shops, and consequently draws a good deal of traffic to it.

The three categories can also be identified by the length and frequency of the shopping visits made to them: fifteen minutes daily to the neighbourhood centre, an hour two or three times weekly to the community centre, and an afternoon once or twice a month to the regional centre. The bigger centres may of course embrace the functions of the lesser for people living close to them; indeed the existence of “close support” local and community shopping is essential for the prosperity of a regional shopping centre.

If you look at Cambridge and some of the surrounding towns you can immediately see the difference between the regional centre and the community centre on this kind of analysis. The Board of Trade Census of 1950 showed the total retail trade of Norwich at about £17m., Cambridge £14m., and Ipswich £13m. Unfortunately, Cambridge was not included in the 1957 sample and the 1961 figures are not yet available. But if you compare these with Bedford and Peterborough, Bedford is about £9m., and Peterborough is about £8m. Clearly they are operating on quite a different level. If you come down to Newmarket, Ely, and Royston you find figures of £1.9m., £1.7m., and £0.75m., and these are typical community centres. So that what we are considering is Cambridge serving a large part of East Anglia at this fairly high regional-centre level of activity. I know that there is another tier above this; if you want your full-day shopping expedition, your outing to buy some important piece of furniture or some important piece of clothing, you probably go to London. But excepting such oc-



casional purchases (depending largely on how far you are from London), towns like Cambridge are important in the scale of things from the shopping point of view. Cambridge has this function because of its location and its history; and I believe that it is now an inescapable function.

*The deficiencies of Cambridge as a shopping centre*

Although Cambridge has this regional shopping function, it does not meet the needs fully at present. The deficiencies I think are these: the road access is bad; parking space is very short; rear-loading to many of the shops is not possible, and delivery vehicles therefore cause additional traffic congestion and inconvenience; and in any case there is a total shortage of shopping floor space in the core shops, those shops dealing with the regional shopper. In the core shops at present there is something like 600,000 square feet, of which just over half is storage space. Of that total area we believe that something like 200,000 square feet must be replaced because it is inefficient shopping space. But it cannot be replaced in large modern units because there is not adequate depth and rear access cannot be provided. And on the basis of the work that we have done, and particularly the work Stafford Smith<sup>1</sup> has done, something approaching a million square feet of shopping floor space is needed in a centre of this kind.

*Remedies—restrictive or progressive*

Now, that is the order of the problem you have got to face. What are the possible remedies? There are two approaches to the problem. The first is restrictive, and you can look at this in either a positive or a negative way, or both together. By positive restriction I mean the removal of the regional function to either some other existing regional centre or to a new town. We did give this considerable thought because at first sight it is an attractive idea. It is the regional function which is the interloper in the centre of Cambridge: as this is leading inevitably to the destruction of the character of the centre, why not remove it? But we soon came to the conclusion that it was impossible to build a new town quickly enough to draw off the regional function from Cambridge, and that there were no existing towns of sufficient size near enough to Cambridge to draw off to any substantial degree. The existing pattern of traffic routes is established and the habit of coming to

1. R. Stafford Smith, M.A., R.I.C.S., now Chief Surveyor of Cambridge University Estate Management Advisory Service.



Cambridge is established. Moreover neither of the remedies would provide a more attractive centre than Cambridge. This is really the heart of the thing: people come to Cambridge largely because it is Cambridge, and if you are going to try to persuade them to go somewhere else, you have got to provide a centre that is more attractive in every way. And this we thought was just not possible.

You could take a purely negative outlook and say that you do not want to accept the regional function. You would not do anything to improve shopping or traffic facilities. In short you would be as restrictive as possible in a purely negative way, and you could hope that this would ease or remove the pressures. Well, this we thought was undesirable. To plan for inefficiency seems a curious attitude to life. I suppose that there might be circumstances in which it was justifiable, but I do not see why people living in and around Cambridge should have to accept a lower level of convenience and prosperity simply in order to preserve the character of the centre of Cambridge—if there is an alternative remedy. But in any case we thought it impracticable, because the forces of commercial growth, unlike the forces of industrial growth, cannot be frustrated by land use control. You can keep industry out by administrative action; you can therefore avoid the pressures which industry creates. But to assume that because we have kept out Pye Radio we have therefore avoided the fate of Oxford and that all is well, is to miss the point entirely. The fact is that it is the forces of commercial growth—affluence plus mobility plus population growth—which are creating pressure on the centre of Cambridge; these cannot be frustrated by land use control; they are symptoms of the general rise in the standard of living and are beyond the planner's control. Therefore we must leave the restrictive approach and turn to the progressive, by which I mean planning to meet fully the needs of the region, meeting the needs by providing space for the large retail unit, car parking and road access, but in an area *outside* the historic centre where an efficient shopping centre can be built and where there is ample room for further expansion in the future. By willingly accepting the regional function, there can be an enrichment of the life of Cambridge as a whole. Additional facilities provided for the region can be used by Cambridge people, and additional prosperity will be brought to the town—and this is important for a town which has decided to keep industry out. That has been a



substantial sacrifice from the point of view of employment and prosperity, and it would be quite wrong, I suggest, if having decided to keep industry out, we decided to keep commerce out as well. We would then become a one-industry town, and with that "industry" the University, I suggest the situation might not altogether be a happy one. As for the historic centre, with the removal of commercial pressure it will be possible here too to enrich the life of Cambridge by recreating the atmosphere that we associate with the centres of historic English towns, providing a proper setting for its buildings, maintaining the scale and the intimacy of its streets, and fostering the development in it of the local, specialist and tourist shops and other facilities which it should have.

#### *Removal of commercial pressure on the historic centre*

This really is the key; having removed the main traffic magnet, this relieves the pressure on the historic centre and therefore you can preserve it and enhance it progressively. At the inquiry yesterday, it was suggested that Petty Cury was obsolete, that it must be demolished in order to make way for the larger shops which the regional centre needs. Now, if you accept that the regional centre should be planned inside the ring of colleges, then of course that judgement is absolutely right; Petty Cury is obsolete, and there is nothing for it but to have it down. The commercial pressures are such that the economic life of the buildings is over. But *economic* life is not to be confused with *structural* life; by removing the commercial pressures their economic life is extended within the limits imposed by their structural condition. The existing buildings are suitable for the type of retailing we visualise remaining in the historic centre. Removal of the pressure thus makes preservation possible. And if you think that the preservation of character is a fundamental aim, then Petty Cury is not obsolete, Petty Cury is important. I know that individually the buildings are not wonderful, and some pretty terrible things have crept in. But you know, when you look at a street, though perhaps your professional eye may see individual buildings and reckon up the value per foot frontage, with the average person it is the general street picture that registers. (I have proved this satisfactorily by putting in slides the wrong way round. You take a curved street like Trinity Street, a picture taken from Trinity chapel looking



south so that the curve is to the right, and you put the slide in the other way so that the street appears to curve to the left. And you say, "Where is that picture taken from?", and they say, "From the Senate House". It is a much more diverting pastime than showing slides upside-down.) It is the general street picture that people see, and some of the nastier shop fronts in time we can straighten up anyhow with the help of the Civic Trust. These are details; it is general character that we are concerned with.

The other extremely important point to make here is that this cannot be looked on as merely an overflow problem. You cannot simply say, "Let us provide the excess somewhere over on the other side of Christ's Pieces", because regional type shops are complementary in character, and they demand close proximity of trading sites. It is not possible, I believe, in a town the size of Cambridge, to create two high-value and high-turnover shopping centres. You must have one. It must either be in the historic centre or it must be elsewhere. Now, the Lion Yard scheme which was submitted to the Minister three years ago (a scheme totally rejected by him in 1960) incorporated a density of shop use which the Minister found unacceptable. But if he had accepted it I believe that it would have left Cambridge far short of the necessary amount of shopping space in the long run. We should then have been left in the historic centre with no further room for expansion. There would have been forced on us piecemeal redevelopment, for example, of the triangle between Market Street and Whewell's Court, or perhaps Whewell's Court would have to come down too; this is the only area left for expansion, and large shop units on this inappropriate street pattern would merely lead to further chaos.

It is worth while at this point turning back for a moment to the report of Sir William Holford and Professor Miles Wright produced during 1948 and 1949, and published in 1950.<sup>1</sup> In it, on page 16, you will find this very important statement: "The special qualities of the centre of Cambridge make it necessary to approach its problem differently from that of an ordinary central area. In an ordinary town it is almost inevitable that a well-established centre should be regarded as fixed, and road proposals can be based on general agreement that somehow or other, sooner or later, adequate roads must be provided to it and in it. Surrounding land uses must in time yield to the dominant commercial uses. This is not at all the case in Cambridge." The extent of the growth of national



prosperity, the increased number of cars, and so on, was not perhaps foreseeable then, but the authors of the report seemed to be well aware of the pressure for growth. They say later (on page 62), in talking about changes in the character of Cambridge: "If, therefore, forces making for change were strong, an appreciable part of the buildings in the centre might be swept away in a generation. The powers for preserving buildings contained in the 1947 Act may be used effectively to protect isolated buildings of merit or even some groups of buildings, but they could hardly extend protection to the general character of a whole district in the face of strong economic pressure. Nor do we think that they should do so." It seems to me therefore that in this report it was accepted as almost inevitable that the character would be destroyed. The fourth aim of the proposals for the central area was "to try" to avoid any big change in the appearance and character of the central area; and this seems to me to be a sad way of putting it. Of course the extract I read about the powers for preserving buildings is perfectly true; it would not be possible to preserve large areas in the face of strong economic pressure. But the answer, it seems to me, if you want to preserve the character, is not to accept destruction as inevitable but to channel-off the pressure and harness it to a creative development in an area where you want it to occur.

### *The University proposals*

And so, the University proposals (as described at some length in the Statement of 3 December 1960)<sup>1</sup> are, very briefly, preservation and enhancement of the character of the historic centre—redevelopment of the Lion Yard mainly for residential and civic purposes, including a large concert and conference hall which Cambridge lacks at the moment, and which I think is extremely important, with the longterm "restorative surgery" of the remainder of the historic centre, done over a number of years and requiring great skill and understanding; and secondly, the creation in the City Road area (which lies to the east of Christ's Pieces) of the main regional shopping centre. There you can provide car parks and good road access, space for pedestrians to circulate free of vehicles, space for the sort of shops that you want, with loading separate from the pedestrian streets, all to be planned with the historic centre close enough to it for the two to be complementary.

1. Cambridge Planning Proposals.



This is extremely important. The two should not attempt to perform the same function—I have already suggested that this is impossible; you cannot run two high-value centres in a town like Cambridge. Both can be prosperous, but the one is high value, high turnover and large scale, the other is low value, low turnover and small scale. And the two are complementary; people must be able to use facilities in the historic centre—offices, shops, restaurants, cinemas, the local authority offices and so on—and yet be close enough to be able to walk from the new. You see, people can walk to use those facilities unladen. What they will not do, and there is no need to expect them to do it if you provide an alternative, is to walk from car parks east of Christ's Pieces to do their shopping in the historic centre and then go back through the ring of colleges and open spaces loaded with parcels.

### *Population*

I must mention population at this point. The present policy of the County Development Plan is to reduce the rate of growth and to stabilise the population at not more than about 100,000 persons. Now it seems to me that this is not a basic aim—a figure, even if it has five noughts in it, has no magic quality—and what one has got to do is to find out what sort of population one wants in order to meet the aims of the plan. If for example the need to provide a decent shopping centre for the enrichment of Cambridge means a slight growth in population above the 100,000 figure, provided this does not have any damaging effects—in and beyond the green belt for example—then I see no reason for being afraid of it. I think that this distinction between aims and policies is of the greatest importance. It is ridiculous to stick to a figure taken fourteen years ago and say that it is a basic aim. It is not. Population limitation was merely an instrument of policy intended to help achieve the desired aims. Fourteen years ago it no doubt seemed a logical way of trying to reduce pressure on the central area; but this pressure has built up as a result of affluence and mobility, and indeed growth of population beyond the green belt has put greater pressure on the central area than growth within the city because it causes visits by private car rather than by public transport.

### *Solving the problems of regional shopping centres*

Now let us leave Cambridge, and try to see what the lessons from



Cambridge are which can be applied to problems elsewhere. Cambridge is unique, but the problems of the town which is a regional shopping centre are universal. Any town which by its natural location has this function, has these problems. Regional shopping is an expanding, indeed an explosive, activity. It needs more space to deal with the greater influx of visitors and traffic and to deal with the greater trade and with the greater demand for different ranges of goods. Now clearly the extent of the expansion will vary between one town and another and according to the region in which it is situated—whether it is urban or rural, whether there are nearby competitive centres and so on. If you take a town which is an important shopping centre in, shall we say, an area in the north of England where population is not rising at the national rate, then its problems of expansion will not be so great as those of many towns in the south-east. But expansion there will be, whether population remains static or not, because of increase in prosperity and therefore in car ownership and retail spending. The solution of the problem in most cases is a reconstruction including and adjoining the existing shopping centre. It is quite impossible, generally speaking, to tackle the main shopping streets alone and to turn them into a centre which can deal with the motor-car and provide for rear-loading, pedestrian access and so on. You must take in adjoining land where you provide greater depth shops, car parking and access roads, redeveloped with the existing shopping area. There are all kinds of variations on this theme but I believe that they can usually be based on closing the main street to traffic, building on to the fronts of the existing shops to narrow the street to a pedestrian scale—and incidentally producing revenue from a considerable area of high-value land which may now stand at nothing in the books. But you cannot do that in Cambridge because of the colleges, unless you demolish one of them—should it be Christ's or Emmanuel?—in which case the historic centre could expand to the east. So the alternative, where the physical circumstances demand it or especially where preservation of character is important, is a shift of the centre. I said that Cambridge is unique. But there are other towns with character, and the planned shift is surely the way to solve their problems. You cannot force modern traffic volumes through them, you cannot provide car parking in the right places on the old pattern, and therefore if you want to preserve them the only possibility



is a shift of the centre.

The other point that comes out as an important general principle in most cases is that steam has got to be put into the redevelopment of the central area in order to keep it vital. If you do nothing you may get the development of out-of-town shopping centres. These I believe are undesirable in themselves because they lack the non-shopping facilities which are an integral part of a city centre, and they will lead to stagnation of the old city centre and to a run-down of the central area as a whole. This I believe is a very great danger. If we think it is too difficult to tackle the problem of our existing town centres, then we will be faced with derelict or semi-derelict areas in them, and although they may be redeveloped for some other use in the very long run, the transition period is going to be a painful one. Reverting to Cambridge for a moment, the great thing here of course is that we already have a head of steam. There is this pressure for additional commercial development, and what we have got to do here is see that it is piped in the right direction. We may have to boost it, but the steam is here. I shall come back to this point at the end.

I would just like to mention here the problem of residential redevelopment in and around the central area, because this must be tackled with the central area as a major part of revitalising the city centre. This applies especially in some of the city centres in the north where there are large rather dreary inner residential areas. I do not think one should get too depressed about these. Comprehensive redevelopment will be necessary for some of them, but there can be improvement, with grants. Remember we have got a rising standard of living, people are prepared to pay more for their housing. And it always seems to me that the "do-it-yourself" movement had possibilities here. We should not choose "clear felling" every time, because apart from the financial advantages of maintaining our stock of houses I believe that a joint effort by owners, tenants, local societies and the local authority to secure reconstruction could be an extremely important step in civic education.

### *A general statement of the Cambridge lessons*

1. That brings me to my final section, which I have called "A general statement of the Cambridge lessons". And the first point is this: planning is clearly an imprecise art. There is no text-



book pattern, for guiding the development of our towns is an extremely complex affair and every town has its individual problems. It has got to be approached with humility and with the readiness to discuss and co-operate and to get ideas from anybody who can make a contribution.

2. Following very closely on that, there is the need for public understanding and co-operation. I think that in Cambridge we have been very bad about this. Perhaps this happens in all towns, but judging by the correspondence in our local press, Cambridge people really do not understand its planning problems. The basic issues here are so simple, but we *will* get them confused, and people *will* go on talking—but I have only got a few more minutes.

3. The third point, of quite a different sort, is the need for very clear planning aims, with flexible policies. Now you may say that this is a piece of planner's humbug. But I believe that it is important. If you are going to plan, you must know what you are trying to achieve. If for example you believe that preservation of character is essential, you must go all out for that. If you consider that your town should serve as a major centre for the surrounding region, you must shape your plan to that end. But it cannot be a basic *aim* to put the shopping centre here or to do something else there. These are policy decisions, through the working out of which you hope to achieve the basic aims, and as circumstances change you may well have to alter your planning policies. I believe that it is here that the main division of responsibility lies between the planning committee and their technical staff. It is the committee of citizens who should decide on the basic aims, while the working out of the policies to achieve these must be the function of the professional planner.

4. The fourth point is that the expanding space needs of the regional shopping centre—all these things I have kept mentioning, shop floorspace, road access, parking, segregation of pedestrians from vehicles, and so on—cannot be met within the pattern of most existing centres, let alone the centre of Cambridge. There must be some planned extension, or where necessary, a planned shift.

5. How can this be achieved? It seems clear to me that comprehensive planning is essential, but following that, the gap from plan to realisation must be bridged by the legal and economic device of



land tenure. Without "ownership" no physical development can take place. I believe that where planning has not got beyond the stage of an unrealised plan, it is nearly always because this simple fact has not been taken into account and because no attempt has been made to foster ownership forms appropriate to the particular development needed. I do not use the term land tenure in any narrow or legalistic sense. It is a fundamental part of all systems of human organisation and must be regarded as a living thing, an instrument created by man to serve society; it must be moulded and if necessary changed so that it may best serve the changing needs of society. The form required for town centre redevelopment we shall discuss in a moment, but what I am suggesting as my fifth point is that comprehensive thought and planning and "unification" of ownership are needed for three areas. These are one, the new shopping area; two, the area where there will be a contraction of shopping; and three, an area to rehouse those persons displaced from one. (It so happens that in Cambridge only two areas are involved, because we have suggested taking in the whole 65-acre block from Christ's Pieces to East Road, and relocation can take place mainly within this block. In other words, areas one and three run together). It seems to me that some substantial degree of unification in these three areas is highly desirable if not essential. There will be little argument in the case of areas one and three, but I believe that area two is just as important. Any major extension of the central area will lead to changes in the existing shopping area, if only to contraction in the inconvenient blocks and on the fringes, and if the extension amounts to a shift, there will be major changes in the existing shopping streets. This contraction must be planned, and the opportunity used to secure the resiting in the "contraction" area of uses appropriate to it. This in turn will free sites one stage further back along the line, where redevelopment can then take place, again with the aim of rationalising and improving the pattern of central area land use. If this sounds a little complex, let me illustrate what I have said by reference to Cambridge. With a shift of the main regional shopping area to City Road, buildings will be vacated in the historic centre. Some of these may go out of shopping use, but some can be altered if necessary and occupied by traders now inconveniently sited in the fringe areas, who would be much more appropriately located compactly in the historic centre where they can carry on



their business depending on town, University and tourist trade. Their vacated buildings can in turn be redeveloped for residential or collegiate uses, or in some cases to make creative additions to open space. But even if such detailed reorganisation is not called for, the effects of redevelopment must be anticipated and a plan of action prepared to deal with the whole changing town centre. If you look for example at some of the northern town centres you can actually see shopping streets that are dying, where new development is drawing off the trade and the value, leaving them semi-derelict. The creation of "blight" in the name of planning seems to me to be nonsense.

It may be that I am asking too much, that such rational comprehensive ordering of things is somehow resented. You may say that the owners and traders in the area where there will be a fall in value have had a good run for their money in the past, and well, it is too bad, they will have to lump it now; then when values have dropped the area can be cheaply bought up and redeveloped. It may be that this is the answer. I think that it is a pity if it is, because planning is essentially for people, and planning that sets out to hurt people must surely be wrong. While it is probably impossible to avoid entirely the infliction of hardship, I believe that it should only be tolerated where it is absolutely unavoidable, and even then the blow should be softened not only by money compensation but by sympathetic rehousing.

6. Can we make use of the "Comprehensive Development Area" procedure to deal with the three areas I have mentioned? I do not think so. It seems to me that although section 5(3) of the Town and Country Planning Act, 1947, provides for the inclusion in a C.D.A. of land needed for relocation—my area three—and specifically states that land may be included and designated for compulsory purchase even if the plan makes no proposal for its development or redevelopment, nevertheless the purpose of the procedure is primarily to deal with areas needing development or redevelopment as a whole. This clearly applies to area one—the new shopping area—and perhaps to area three—the relocation area—but what is needed for area two—the contraction area—is largely conversion and conservation, and for all three areas together constructive and enlightened management. My sixth point then is that although the C.D.A. procedure could perhaps be used, it seems to me to be a relatively crude instrument designed to deal



with areas of "blitz" and "blight" and inappropriate for the tasks now facing us. I believe that a new procedure is needed to designate what might be termed "Renewal Areas", so that my areas one, two and three can be dealt with together, using whatever method of management appears to be correct.

7. To make possible such comprehensive management, comprehensive "ownership" is needed. But I believe that unification of the whole by expropriation is not acceptable. It would be a massive operation engendering a great deal of ill-feeling, ill-feeling directed at planning and therefore to some extent destroying the worthwhileness of the whole operation. This is particularly so where the expropriation is carried out on behalf of a private developer who can then reap the benefit of the rise in value from a decayed area at the expense of existing owners. This seems to me to be fundamentally wrong. Yet it is going on in many towns. And to the extent that the area so redeveloped is reduced in size, the thing becomes more undesirable; the developer is then not only reaping the latent development value denied to the individual owners in the redevelopment area, but taking away value from adjoining areas and leaving the burden of unprofitable rehousing and providing car parks and road access on the local authority—in other words, on the local people.

8. I believe therefore that an attempt must be made to secure unification by agreement. The problems are great, but no greater than those arising from massive expropriation. And one of the things I want you to consider in your discussion groups is how this could be achieved. Clearly, compulsory powers must be available in the background, but owners should so far as possible take their property into the scheme for the renewal area and take shares in it, so that they can benefit both as individuals and as citizens. In the case of Cambridge we have already suggested that this could be done through a locally-based consortium, possibly holding on a long lease from the Corporation. In this way, local interests could be safeguarded and a proportion of the profits used for the benefit of the City generally.

9. In this context there arises the need for special care in rehousing people displaced from the new shopping area. This is tremendously important, and must be accepted as a burden on the developing group whatever form it may take. Indeed there is the



need to safeguard the small man generally. He must be made to feel that the scheme is for *his* benefit, not just something for the big battalions. One of the common problems of large-scale reconstruction is the man trading in a very old shop, if not a freeholder, paying a very small rent. He cannot fit into the new pattern of values. It seems to me that the provision of the very small shop for this sort of trader, in a side street, in a covered market, or in the "contraction area", is a matter of great importance. This is simply another illustration of my point that planning must not stop at the drawing board stage but must merge into management, management which must deal sympathetically with all the human problems involved.

10. Finally there is the need for speed in planning and implementation. Of the Oxford road problem it has been said: "Events leave the impression of a succession of plans without planning, discussion without decisions, and words without end" (P.E.P. no. 416, *Plans for Oxford's roads*). In Cambridge we had our original development plan enquiry in 1952. The Minister issued his decision in 1954. This was followed five years later by the inquiry into the scheme for the Lion Yard, which the Minister rejected in 1960. The first review inquiry, at which basic issues are still under discussion, is now being held. On this sort of time scale can one really see action on an approved plan taking place before 1972? I cannot think that only Cambridge has this sort of story of delay and frustration. But the pressure on our bigger town centres is on—pressures from affluence and changing shopping habits induced by the motor-car, followed by pressure from the commercial developer. If we dither, if we compromise, we may well have lost the opportunity to use these pressures to secure the right sort of changes. In Cambridge the pressure has built up to a dangerous level because so little has been done to the centre since 1939—so little in the way of new shops, nothing for car parking, nothing for road access. If this pressure is dissipated now, by redeveloping the Lion Yard, the Lion Hotel,<sup>1</sup> Robinson's garage<sup>2</sup> and Macintosh and the adjoining properties,<sup>3</sup> the opportunity to create a successful new shopping centre will be lost. When the move eastwards eventually comes—as without a shadow of doubt it will because of congestion in the historic centre—land values in City Road will have risen to a point which will frustrate good planning, mainly through making it economically impossible to

1. In Petty Cury.

2. In Regent Street.

3. In Market Street.



provide adequate car parking. And the historic centre will by then have been destroyed by piecemeal commercial development. Now I know I have come back to the particular problem of Cambridge, because the problem here is urgent indeed. What we must have is a speedy Ministerial decision on the principle of the plan followed by a genuinely co-operative effort to create a way of planning and reconstructing the centre of Cambridge. Cambridge is of world-wide importance. It is one of the great ancient University towns of Europe. We have no right to accept the second best because we are tired of trying to find the ideal solution. Cambridge deserves a special effort. And it seems to me that what is done here could set a new pattern for procedure and perhaps for legislation, to be applied to other towns.

The question is how does one initiate this co-operative effort? I would like to suggest that the Minister should appoint an advisory committee with a special responsibility for the creation of a joint authority for the reconstruction of the centre of Cambridge. In his decision on the Lion Yard in 1960, the Minister said that in Cambridge the ruling consideration should not be finance. It seems to be therefore that he accepted that Cambridge needed special consideration. If his successor accepts this too, I believe that the right people would serve on a committee to see that the right thing is done here, and to see what lessons can be learnt from it.

This is a challenge. We want preservation of Cambridge and of many other historic towns, but that does not mean inaction. If we set about this thing energetically, of course there will be mistakes. If you act, you make mistakes. But you can make mistakes through inaction too. And the mistakes of inaction probably have more far-reaching consequences, because they progressively sap the will to act at all. But we must make sure that while superficially *acting*, we are not in reality passively accepting an easy way out which will lead to disaster. Such a way out is being sold to some local authorities now, with the help of beautiful models and glossy booklets. It is to compulsorily acquire for a developer the "soft spot" near the town centre on which he can quickly carry out stage one of the complete scheme which his model illustrates. By doing this he fills the one manoeuvring space essential for the proper redevelopment of the town centre as a whole, and creams off the profitable development so that the rest of the operation—stages two, three



and four, including the provision of car parks and roads—is left as an intolerable burden round the neck of the authority.

Town planning is in the doldrums. To get it moving we must find a way of inspiring people, first to want better cities, and second to believe that we can do something about achieving them, and then to plan and build them. But in all this we must not only consider short-term material benefits. We are planning for the future, and, God willing, there will be a continuing rise in the standard of living, perhaps to a level which it is difficult for us now to imagine. We must not be afraid therefore of aiming for non-material improvements which today we may fear to be beyond our means. Future generations will not forgive us if we build without vision and do not realise that we have the opportunity to hand on to them decent and civilised cities.

*J. F. Q. Switzer's Reply to the Discussion Groups*

I am delighted that Group I was democratic at least and, since I mentioned democracy this morning, I should say at this point that I think one of the important things about democracy, if you are going to get it to work properly, is creating informed opinion. But the essence of democracy really is adult education, and it is something that particularly people in various professional capacities should take on. I am not suggesting necessarily their being members of local councils and so on, but the activity of adult education in the widest sense of educating people to their responsibilities, to the problems that exist and to possible ways of solving them. If Sir Colin will forgive me, I would like to take up two points that Group 5 raised on his paper. Mr. Elliott referred to the normal working of our economic system and I feel I must mention this because I talked this morning about planning and seeing that the machines were connected up, and so on—not to work backwards I hope! What do we mean by our economic system? Agriculture is subsidised; we have not got free economy any more; there are so many different pressures that have been put into the machinery of government that normal economic processes do not work; if we had the law of the jungle surely the small farm would go broke, and you would say, well, that is the right economic answer. But if you have political pressure to have subsidies for small farmers, I think it is difficult to talk of the normal working of our economic system. However, the other point, very briefly of course, was on speculation in house values. A colleague of mine, an agricultural economist advising a farmer about what he should grow on a particular piece of land and knowing something of the demand for land in this area, replied: "Bricks and mortar".

However, going back to work, let me just deal first of all with Cambridge particularly, and then we will look at the general problems of town centre re-



development after that. The distance between City Road and the existing centre was raised again this afternoon, and if I may just repeat very briefly what I said this morning—we are considering here two parts of the city centre that are complementary. It is no good hoping that these will have similar roles. What I stressed this morning was that you cannot split your high value shopping, you cannot have two areas with the mass turnover shops—it has got to be City Road or the historic centre—but having got your main shopping centre compact then I think the problem of distance between City Road and the existing centre is not such a grave one. Without wanting to compare what we might do here with Stevenage physically, it is just worth noting for example that if you overlay the town centre of Stevenage on this, the town centre of Stevenage, which is an entirely pedestrian centre, in fact stretches from here to here. So that on the pedestrian scale this is not excessive, better still if it were compact, of course, but the physical barriers are difficult and I think one should not rule out the possibility of some kind even of mechanical connection between the two. This is not at all a reason for saying: Well, if you can move people mechanically from there to here, why not have your shops here and your car parks there, and move them in mechanically and leave the shopping centre undisturbed. It is entirely a question of your basic aims, and if you want to preserve the centre, then that is aim number one; if by mechanical means you can find some way of reducing the disadvantage of this separation, then so much the better. But it does not follow at all that you should therefore be able to use your mechanical means to reduce separation between car parking and shopping.

The possibility of developing on Christ's Pieces of course is an attractive one; we considered at one time the possibility of building the whole thing on Parker's Piece, residential and all, and then clear felling the whole of this, and this would greatly simplify the procedure. But I think really this is not on; public open space sacrosanct and all that, and people get terribly worked up. The Chief Constable wanted to take a little strip of land here for parking cars on Saturday afternoons, and the poor man was nearly lynched.

The possibility of Regent Street came in too—Regent Street and acquisition of Parker's Piece—I think Group 4 felt City Road really was not very sensible and that this was the alternative. I do not agree at all. I think that this is a thoroughly bad area for a shopping centre mainly because of the problems of road access. One of the great attractions of the City Road area is that it is reasonably well served by roads now. There is to be a new bridge across the river at Cherterton anyhow. A road running south from the bridge to the Railway Station and Hills Road was in fact suggested by Sir William Holford in 1949. He put it a long time in the future, but then he was thinking in terms of a doubling of traffic in 20 years. Again bearing in mind fixed aims and flexible policies, you bring this forward in time, and you put this road in. It may have to be a road on a substantial scale and one would hesitate to suggest putting motorways through a town of this size, were it not for the fact that the railway already



exists here as a physical barrier to the town. There are only crossing points at Hills Road, Mill Road, Coldhams and Newmarket Road, so that you have got a physical barrier and the industrial area lies between the railway and the road. By putting in this road, extended to join the Trumpington Road in the south and possibly along the back of the boat houses to join the Huntingdon Road in the north, traffic can be brought to the new shopping centre without ever entering the historic centre.

I think that was all on the particular points of City Road, except are the Colleges sacrosanct? Well, my own college was mentioned particularly—this in fact is a good illustration of the problem. Our buildings are falling down, literally. We are going to have to spend £100,000 in as short a period as we can. I do not know where we are going to find it, unless we can buy some of this land with hope value, but £100,000 we have got to find to prop up buildings that are obsolete. By the County Planning Officer's standards as applied to Petty Cury these buildings are obsolete, indeed I would go further and say if you are looking at the centre of Cambridge for development, the whole centre of Cambridge, including the colleges, is dead ripe for development—this is an inescapable conclusion. You simply therefore ask the question, are the colleges sacrosanct, and if the answer is "no", then, of course as I said this morning, there is no problem at all. If the answer is "yes", you are going to run into all these terrible difficulties, (a) of dealing with the shopping, but (b) of propping up the colleges. On the general question of this urban renewal, I often think of a remark made by Sir Winston Churchill. When he threw off the idea of Mulberry Harbour, he wrote—"Pray produce for me this day on half a sheet of paper a scheme for a Mulberry Harbour. Do not raise difficulties, the difficulties will speak for themselves." Well now, you have raised difficulties, and of course there are difficulties, and it is a question really of how strongly one feels that here is a problem to be solved, and whether we really believe that we can find the right answer and find a way of doing it. As far as unification of ownership is concerned I agree that there must be compulsory powers in the background but I was glad to see that several groups in fact thought that negotiation was the best method with compulsory purchase as the last resort.

Now, in the December Statement, we did in fact suggest a consortium to do this—that you should have a consortium in which, if it were legally possible, the City Council might participate, also local landowners, particularly people who are going to lose out on the shift of values, and those who wish to participate as a general investment.

The consortium is a way which, to some extent, solves the problem of the individual owner. Powers exist for making the new shopping centre by definition as a comprehensive development area and designating for compulsory acquisition. This, we have already suggested, is the essential first step. You must designate the area and then proceed from there by agreement where possible. But it does not solve the problem of the contracting area, the historic centre, and although it is extremely difficult to know how far you can try to see that everybody ends up in exactly the right balance, that nobody has lost out on the deal, I have the feeling that if not in the centre of Cambridge, certainly in many other towns, one must do something, if one is going to get the scheme approved, to bring in this area, you have got somehow to tie these two together, in one renewal area so that those who are going to lose can bring



in their interest and participate in the game.

Now, what I suggest is that the Minister should set up some kind of commission, and I was glad to see that other people suggested the special development corporation, and that even if it were only an advisory group, that one of the things that this group should do is to make a study of the methods used in other countries. I am afraid we have been terribly bad about this—this is the sort of thing that our department should have been doing, but one has other things on and life is a rushed sort of affair and there are not many of us, but we are very conscious of the fact that this is something that we have not studied. There must be a good deal of useful information on how other people tackled this. And, another basic dictum, you should never spend time thinking up new methods if other people have done the work already. Always use their work, at least for a basis.

When Group 2 said that the thing could not possibly work at all anyhow, I presumed they meant City Road, or did they mean the whole of Cambridge, that the whole thing was a dead loss? However it may be, this I regard as a poor attitude, it is only paralleled by Group 3's suggestion that we should trundle along the way we are going. Now one has a good deal of sympathy for this, and in my private affairs I am all for trundling along quietly, but there are the dangers of inaction, and the mistakes of inaction, as I suggested, could be graver than the mistakes of action.

One final point, about the multiples—it was suggested by Group 5 that the multiples could combine and so on. I think the multiples are the people really that one is least worried about. Without being hard hearted about them at all, they have got reserves. The further point that was made by Group 2, that the cost of servicing many of these stores is high because they are unsatisfactorily sited. They could carry the loss of moving because they know that in the long run they will recoup several times over by their increased trading. People operating on that level can look after themselves. It is the small trader, the person with his life savings in his house, or shop, whatever it may be, he is the man that one has got to look after. Whatever sort of scheme there is for City Road a tremendous lot of social work and human relations work has got to be put into it.

Thank you very much Group Leaders for presenting such interesting statements of discussion. I must say that I am delighted to find that on the whole the outlook is relatively optimistic.



## CHAPTER FOUR

### THE LEASEHOLD SYSTEM IN MODERN SOCIETY

by

*C. W. N. Miles, M.A., F.R.I.C.S., Q.A.L.A.S.*

The subject surely must be to consider what the leasehold system is and to ask how, and if it works; to consider whether the system has any functions which cannot be fulfilled other than by a system which is imposed from governmental level in a non-economic community; for example where all land is centrally owned and given away free to the deserving applicant.

#### 1. "What is the leasehold system?"

The Leasehold Committee of 1950—to whom inevitably I rushed for aid—said helpfully "A lease, in the most comprehensive sense, may be defined as a contract granting the exclusive right to possession of land for a fixed or determinable term less in duration than the interest of the person making the grant", thus in this paper, in treating of the leasehold system, I could be expected to consider the letting of land and buildings in all its forms from the weekly tenant "renting for his own occupation a furnished or unfurnished" building through the yearly agricultural tenant to whom farming is his business and the urban shopkeeper holding on a short term of years, to the "tenant holding on a term of say 999 years having an interest for all practical purposes comparable to a freehold apart from his ability to pay the rent and perform the covenants of his lease".

2. So wide a field cannot be properly covered by the sweep of one paper, nevertheless something must be attempted and in considering the leasehold system I propose to classify property in the mass as follows:

- A. *Rack-rented urban property*, including dwelling houses and commercial and industrial premises;



- B. *rack-rented agricultural property;*  
C. *the ground lease*, considering separately such leases granted for residential property development and those granted for commercial development. In the context of the ground lease I must also refer briefly to some of the financial implications of development by this means.

3. Is a leasehold system, is the landlord and tenant system generally, necessary in modern society? Is the landowner providing goods or services which the community needs? That the community needs land in the widest sense is one self-evident fact and that the landlord provides it is another. Fundamentally however the landowner should not congratulate himself on the goods he places before the public because the initial good which he offers is there through little effort on his part being provided out of the bounty of nature. His personal ownership is quite co-incidental. But of course in most instances the owner provides much more than bare land, he provides improved usable land, he provides buildings, he provides services all of which represent work or capital put into the bare material of the soil by himself or his predecessors. Buildings, improvements, services, work, and land are mixed in the melting pot, cooled, hardened and offered to the community as a lump of capital worth. This special commodity in universal demand may be acquired by those who want it either outright by purchase or by paying for its use over a limited period. It is this limited interest with which we are concerned here. In offering land for hiring the owner is providing a service (or a good) both for those who have no capital but who need to use the facilities which capital can provide—i.e. houses—and also for those who want to use what capital they have in the process of trade or commerce and not in the business of landownership.

That the landowner thus provides something, a short or long term service, which individuals need is apparent. But of course it does not matter, in the provision of that service, who or what is the landowner. The need for land is universal and the use of land is universal. Not everyone wants to own property, not everyone is in a position to own property but everyone needs to use property; there must therefore be a leasehold system of some sort in every society unless everything belongs to everyone in a state of blissful animal confusion.



The landowner, be he private individual, corporation, company or state, provides "land by means of a contract granting the exclusive right to possession of that land for a fixed or determinable term . . ." and in essence it is that contract which is under examination and which, in certain circumstances, is like a red rag to a pink bull. The landowner seeks a profitable contract and, according to the situation of the land he has to offer, he may be more or he may be less successful, but the letting of land today is beset by the dangers of inflation and the use of land is gilded by the sunlight of profitable development.

The first, the effect of inflation, the owner must try to avoid, the second, development, he wishes to share. These two factors themselves are causing a change in the pattern of the contract and a change in the traditional position of the owner vis-a-vis his tenant; but inflation and development are by no means the only factors affecting the delicate relationship of landlord and tenant. The state has for many years seen fit to protect the tenant against the indignities which may be inflicted upon him by his landlord and has done so through the medium of almost countless statutes which limit the freedom of contract as between the one and the other. The wicked landlord must be curbed, his defenceless tenant armoured, to the end, basically, that the owner shall not be able to use his monopoly of a universal need as a weapon of extortion. I refer of course to the rights vested in the tenants of certain dwelling houses, to occupying lessees of houses on long leases, to farmers and to the tenants of commercial and business premises, all of whom have certain over-riding rights of occupation despite the provisions of any contract to the contrary. The justification for this state interference is, thank goodness, neither for me to question, nor to discuss here, but the existence of these curbs and restraints must be mentioned in any discussion on the leasehold system. Lord Justice Denning has said "The significance of the social revolution of today is that, whereas in the past the balance was much too heavily in favour of the rights of property and freedom of contract, Parliament has repeatedly intervened so as to give the public good its proper place".

Would I be right in presuming that were the State the universal landlord no such curbs or restraints would be necessary, it being axiomatic that any government or committee of un-committed members is more generous with other people's money than with



its own?

A little earlier on I made a rough classification of the various types of properties which I might use to further this discussion and it is now time to turn to them:

A. *Rack-rented urban property* including dwelling houses and commercial and industrial premises.

This category of property is that where the freeholder owns the land and the buildings upon it and disposes of the whole under contract for a limited period to the tenant.

*As far as dwelling houses are concerned* it must I think be conceded that the freeholder, by providing the dwelling at all, is meeting a very real need. It is however a need which is being met more and more, at any rate as far as the smaller houses are concerned, by local authorities and thus by the public at large, for the repressions of successive Rent Acts have firstly made this sort of property impossible to maintain, and actively unprofitable to own and, secondly, have tended to set a sort of rent limit in the minds of occupiers even where no such limit in fact exists, to the end that the weekly cost of a house ought not to be much more than the weekly cost of the "telly" and certainly much less than the weekly cost of the car.

I doubt if much domestic property is today being built with the express design of letting it; certainly not in country districts. Some flat development for investment is being undertaken but I should say that at the moment the majority of new residential development other than that undertaken by local authorities, is being done for sale rather than for letting. Previous restrictions imposed on freedom of contract, even though now greatly lifted, are too clearly remembered and too widely threatened to encourage the building of houses to let.

It is, I know, easy to generalise, and thereby to offend, and easy to miss the specific. Short-term letting of flat conversions in London, and possibly other large towns too, would certainly appear to provide both a needed service and a profitable investment, for here you have a business unrestricted by the dead hand of protective legislation. To refer back to Lord Justice Denning's remarks which I quoted just now, one might well ask significantly, what exactly is "the public good" which must be given its proper place?



In turning now to commercial properties one faces a very different picture. Many firms prefer to keep their capital available for investment in their own businesses rather than to lock it up in landownership, with the result that there is a considerable demand for shop and office property to rent. The demand itself, growing as it is, tends to make the existing landowner reluctant to sell so that one arrives at the situation where prospective tenant and prospective lessor are both eager to do business. Over the whole country in the last ten years or so the proportion of administrative technical and clerical workers in manufacturing industry increased from  $16\frac{1}{2}\%$  to  $21\%$  or by some 600,000 people who would require about 60 million square feet of floor space. At the beginning of this century office workers formed  $8\frac{1}{2}\%$  of the then labour force, today they form about  $20\%$  of a larger labour force.

Many of our towns too are old, though not antique, and many of their buildings worn out and inadequate for present day needs. Re-development proceeds apace, the majority of it being capital investment in land with the object of letting the properties provided at rack-rents. That such development itself is often done on leasehold terms is a factor which must be considered later.

I have referred to the fact that the commercial concern is interested more in using its capital for its own business rather than for landowning and in this connection the sale and lease-back transaction is worth mentioning.

The main type of property leased back is shops though offices, flats and factories are sometimes involved in transactions of this nature. The transaction is that in return for a capital sum an estate, freehold or leasehold, is sold upon the condition that it is leased back to the vendor. The sale is usually at market value though sometimes at less than this, in return for which sacrifice of capital the vendor enjoys a profit rent which subsequently he may also sell. The term of the lease in this sort of transaction is usually for a period of up to 99 years and the rent is fixed at current rates though of course nowadays rent revision clauses in long leases are usually and rightly inserted.

The transaction has its attractions to the vendor/lessee because it releases to him capital for his business (or obtains for him capital with which to carry out the development) and to the purchaser/lessor as an investment with a secure income yield and possibly with a valuable future reversion at the end of the lease.



These remarks are, of course, generalisations. Every such transaction is not necessarily going to be profitable to every party, but the point concerning them has been made to emphasise a facet of the leasehold system in the present context.

B. I can now turn to consider the next category of rack-rented property, namely *Agricultural land*.

In discussing urban property I made hardly any reference to industrial property, deliberately, for I know nothing about it. In discussing agricultural land one is dealing with a sort of combination in the rural sphere of all the varying types of urban property, which, as urban property, are separate entities. The farm is both factory, shop, office and house, and thus apart from the simple fact that rental value is what the thing will let for, a property too complicated to value for any purpose whatsoever.

More than half the farms in this country today are owner-occupied so that the leasehold system is no longer the dominant system of agricultural land tenure. My heart goes out in sympathy to the owner-occupier, no less than to the neglected tenant, for he, like his urban cousin, has too much of his inevitably too little capital locked up in the fixed-interest investment of landowning and too little therefore in the adventure of successful farming.

What should the owner provide for his tenant?

If the landlord and tenant system is to survive in the country then it must provide what the farming tenant needs, namely a fully equipped and workable unit properly maintained in such a state that the farmer is able, in an increasingly competitive market, to get the best out of his enterprise. Each party to the contract of tenancy is, or should be, a specialist in the management of that capital which he has to put to work, and the investment of that capital by one party in the sphere properly belonging to the other may well be bad economics. In other words, the owner's function is to provide fixed capital in the form of what one might term the basic buildings and the occupier's function is to provide the working capital in the form of machinery, stock and cash. It is not the occupier's function to invest his money in permanent buildings when he has need to use his resources in the field of husbandry; conversely neither is it the owner's function to put his money into tenant's fixtures nor into specialist buildings designed to gratify the experimental whims of the occupier of the moment. A factory



building or even an office block provides the shell within which the occupier carries on the business peculiar to himself, a farm should provide no more and no less.

In the letting of a farm the functions of the owner and of the occupier are fairly easily distinguished. The tenant needs capital in such a form that it may be rapidly turned over. His capital is not fixed, it is fluid and gives rise to an income by way of direct, and one hopes quick, growth. For the farmer to lock up the greater portion of his total wealth in the fixed investment of landowning and thereby to starve his farming enterprise would seem to be foolish. The leasehold system comes to his aid enabling him to farm without his having to bear the burden of ownership as well as that of occupation.

Quite a number of erstwhile owner occupiers are fully aware of this fact as is evidenced by sale and lease-back transactions in the rural sphere under which the owner-occupier sells his holding, releases his capital for farming, and leases back the land which he has sold. In some cases the lease-back is what I might call a genuine lease for a fixed term of years at a static or progressing rent, in other cases the one time owner will sell and lease his farm back on a straightforward yearly tenancy, thus possibly getting a better price on the sale and in exchange accepting the risk of an uncertain rental future. The varieties of these transactions could be almost endless.

There is, of course, the landlord's point of view to consider. I am satisfied that, properly administered, the landlord and tenant system is of definite advantage to the farming tenant: properly administered is there any reason why it should be of continuing advantage to the landlord; the person, be he an individual or corporate body, who holds the land as an investment?

At this point it would be all too easy to launch into a discourse on the merits and de-merits of agricultural land as an investment, but that has been done before, latterly interestingly and controversially by Mr. Read in a paper he gave on this subject to the Farmers Club in April last. It seems to me however that some part of what he said is very relevant to the present context:

"If the present level of rented farms is to be maintained and increased there must be potential investors coming forward who will not only 'pick up the slack' of existing rented land coming



on to the market but will also make inroads into land which is at present owner-occupied . . . The farming community should look to the emergence of a new type of larger owner if it wants to keep up the supply of rented farms. If this new type of owner is to avoid the obstacle of inheritance taxation then he must be immortal in the death duty sense, and the field seems to be restricted therefore to the company, to the investment trust and so forth—that is to the principal of divided proprietorship”.

One tends I think to accept the advantages of the leasehold system as applied to urban investments from the point of view of the lessor without much need to question them. One cannot but question such a system from the point of view of the average owner of an agricultural estate. That the ownership of agricultural land may possess, in the widest terms, investment advantages, may be true, but such advantages are not immediately apparent and during the period over which they may make themselves felt the anxious owner is in many cases getting out whilst he can or when he must. Unless such a revolution as Mr. Read suggests takes place I fear the leasehold system as applied to agricultural land is doomed to extinction.

C. I have spent long enough on the subject of rack-rented properties, and it is time now—more than time perhaps—to consider the *ground lease*.

Such a lease may, of course, apply to almost any type of development in any situation, but by and large one thinks of this type of letting in relation to urban properties where the value of the site is a comparatively large proportion of the total value of the land and buildings put upon it.

Insofar as the system of granting long leases for housing development is concerned a great deal of heat is engendered about its unfairness to the lessee in that at the end of the term granted the land and the buildings upon it revert “free” to the ground landlord; the lessee thus being deprived at one stroke of his home and his capital. Hence, over the last sixty or so years the almost unceasing demand in certain quarters for leasehold enfranchisement.

The Leasehold Committee of 1950 had, in its majority and minority reports quite a lot to say on this subject.

The moment of truth arises of course when the lease nears, or



comes to, its end and the arguments both for and against enfranchisement for the occupying lessee are moving and telling. I would, however, make only one, and, perhaps because it is out of context, rather unfair quotation from the 1959 pages of the report, namely:

"Human nature being what it is, many people are quicker to understand and appreciate the full extent of their rights than the full extent of their liabilities".

In modern society the disadvantages of the leasehold system of building development devolve in the main on the occupying lessee of domestic premises who does not know the full extent of his liabilities when his lease comes to an end. It is, perhaps true to say that a bargain made 100 years ago with his predecessor in conditions different from those pertaining today has not in his mind equally sanctity with one newly made but, frankly and coldly, we are not specifically concerned with that. Following the report of the Leasehold Committee changes were made in the law which to some extent now may protect the occupation as opposed to the expired ownership, of the ground lessee of domestic premises. In my little corner of the world I know of very few new developments of housing estates being undertaken through the medium of the leasehold system, but I am perhaps out of touch. Large estates in town centres, originally developed on this system, of course still subsist and flourish; and the tenants enjoy and have for years enjoyed a system of town planning and protective control still far superior to any which has yet been devised in the public sector.

Such an advantage is the common property of estates developed by means of the building lease. The ultimately effective planning control is that exercised by economics not by the planning official; nevertheless the groundlandlord is in a position to dictate the type of development to a far greater degree than anybody else. He alone can give the final "yes" or "no" to any proposal. He is also closely concerned to ensure the continuing prosperity of his estate by controlling not only development but also day to day use by means of restrictive covenants. Under the protective umbrella of the freeholder the leaseholder may enjoy a security from the outrages perpetuated by his neighbours greater than any which can be enjoyed by a freeholder amongst independent freeholders. To throw a pebble into the already muddied and disturbed



water may I draw your attention to the example of Letchworth Garden City, a magnificent experiment in leasehold development which lies not 30 miles away from here and in respect of which there have been, as you will know, various disturbances in Parliament over the past few months. I paraphrase the appropriate passages in Hansard:

Ebenezer Howard founded a company—Garden City Company Ltd—nearly 60 years ago which bought about 5,000 acres of freehold land in the rural parish of Letchworth, with the object of building a garden city. The foundation of the Company was based on two principles, firstly that the town was to be built for the benefit of the community and secondly that the investors should receive only a strictly limited return, any profit over which should be used for the benefit of the town. In developing the town the Company retained the freehold so as to preserve unity of development, the integrity of the town and so as to provide amenities which in a whole town's development cannot easily be provided under multiple ownership.

The actual building development took place on the leasehold system and it was always made clear that when the leases were renewed or extended they were to be assessed only at their site value.

The articles of association looked to the time when development would cease, the assets distributed, the Company wound up and the freehold, kept intact from the start, transferred to a public body.

Indignation, outrage and a Bill in Parliament to make this transfer to a public body followed a successful take over of Garden City Ltd., by a company who proceeded to run the property with a view to the realisation of profits and to sell off freeholds and selected reversions.

This breaking up of the solid whole of single ownership into scattered individual ownerships seemed to threaten the whole future of the town as well as threatening the apparent security of the leaseholders. There is a lot more to the story than I have given, but the history of the experiment and the present controversy are interesting in the context of this talk. Leasehold development of residential property under strict control whereby the reversion is limited to the land not to the buildings upon it might well be a method acceptable to all parties and one which



ensures what, for want of a better term, I might call "proper" planning control. Such an outcome would never be achieved by leasehold enfranchisement.

Single ownership of comparatively large blocks of property is the easy way to homogeneous development and re-development. Associations of owners can be got together to plan and agree the development of a particular area, not the least difficult problem in which is the satisfying of the financial interests which each possesses or claims to possess in any scheme.

No such problem faces the single freeholder; but he has other worries, particularly in connection with re-development, for his problem is the fact that long leases take long to expire and few come in together. The original development of the estate inevitably spread itself over a number of years and as time passed various leases were no doubt surrendered and renewed so that on an estate developed by means of 99 years leases there may well be such leases due to terminate over the whole period of 99 years. Where comprehensive re-development is planned this is a real problem requiring urgent solution.

I have enquired of owners and lessees whether development on ground leases continues solely because the owners will not sell or whether there is today real advantage in such a method. The answers I have received are varied, but it would appear to be certain that where site values, such as in the centre of London and in the larger provincial cities, are really big then development on the leasehold system is measurably advantageous to the lessee in that he is freed from the necessity of sinking a large sum of capital in fixed-interest freehold landownership and providing that the lease is long enough he will be able to recoup the capital cost of the building.

Of course the fixed-interest type of investment may be attractive to certain investors depending upon their needs, but many a traditional owner today is looking with interest at the equity profits made by his developing lessee and is seeking means of entry into that market through the medium of his estates. Inflation too has made such nonsense of the long term ground rent that groundlandlords now almost invariably grant long leases only subject to suitable rent revision clauses during the term. Some such clauses are definite—that is to say the lessor has made his own calculation of inflation over the years—and others tie the ground



rent to some recognised index.

This matter of the lessor taking a share in the equity is one worth perhaps pursuing further.

It is necessary of course first to consider the position from the point of view of the lessee who is now being asked to share his future profits with his lessor. He will presumably only be willing to do so if the market tends to force him that way: if in other words he wants the site so badly that he is willing to forgo some of his profits to get it. This situation at the present time certainly holds good in the best districts in London.

May I take as an example a well known London estate, in a coveted district which extends to an area of about 100 acres from which the gross ground rent income at the moment amounts to £150,000 a year. There are a number of leases due to fall in over the next 40 years starting within the next year or two. In this area of London the demand from developers is so great that they will almost sell their souls to get a foot on the ground.

The estate has, over a period, evolved a comprehensive re-development plan to be put into effect over the next 40 years: which plan will be carried out on the leasehold system by the leasing of the sites to developers. The whole of the 100 acres of course has not been dealt with. In certain areas it has been decided to retain the solid Victorian squares as, one might say, "period pieces" and to allow development here only by the conversion of the interior of those stolid town houses into flats or maisonettes on leases not to exceed 60 years.

The comprehensive re-development plan will probably be carried out in two ways, namely firstly, and more conventionally, by the formation of a subsidiary company taking a lease at a full ground-rent from the main estate. The subsidiary company will develop by means of a mortgage, will let the new building and will hope to repay the mortgage over a period of about 25 years. Therefore out of the rack-rents of the new buildings come the ground-rents and the money to repay the mortgage; anything over being profit.

The second method is the formation of a new company in which the estate has 51 % of the shares and an established developer 49 %. A lease of 120 years is then granted to the company by the estate at full market value with rent revision clauses every 25 to 30 years. The established developer provides the money for demolition and



rebuilding, in accordance with plans approved by the controlling interest in the company, lets the new building and hands it over to the estate for management. Thereafter as well as the ground-rent received from the development company (in which it has a controlling interest) the estate receives 50% of the profits coming from the new building. In other words, and perhaps too simply the estate ultimately receives the ground-rent and a 50% share in the equity.

Clearly the leasehold system is here working to the advantage of the freeholder, but to him alone, for the value of the site is so great that the developer in being associated with a long lease instead of purchasing the freehold is able to use his capital in a directly productive sense as equity capital. The value of the equity is protected by the taking of a ground lease of a period of sufficient length to provide adequately for amortisation and also by restricting lettings of the new building to periods not in excess of 20 years.

The Investors Chronicle Property Market Survey of February 23, 1962, had this to say:

"Competition for town centre re-development has produced some tenders so high that a capital conversion factor nearer 1.2 seems likely. The major property developers, who have a realistic appreciation of the risks involved, have more sense than this but the move to form joint companies with large property owners is a sign of their awareness of coming difficulties in obtaining sites in the open market on reasonable terms".

So I struggle to the last few moments of this disjointed discourse and I wonder what I have laid before you. How does the leasehold system serve modern society?

Should ownership serve anyway or do we rightly live in an economic jungle where the devil is encouraged to take the hindmost?

I believe in economics; I believe in the leasehold system. Anyway, what other is there?

*In the absence of Mr. Miles, Dr. D. R. Denman, Head of the Department of Estate Management, replied to the reports of the Discussion Groups on his behalf. Among the many subjects raised by the Discussion Groups, there are five on which I will attempt to make impromptu comments, namely:*

1. the social standing of leaseholds;
2. the economic advantages of leaseholds;



3. the alternative systems;
4. customary tenancies;
5. local authorities as landlords.

Mr Eckert's discussion group raised the question of the prejudice against leaseholds in America and Canada. We can, I think, trace this prejudice back to the days of the frontier. It stems from what is called the Jeffersonian ideal. Jefferson taught the new citizens of America to regard themselves as frontiersmen, and to base the structure of their society and ultimately the constitution of the nation on the family ownership of land. He was inspired by the Physiocrats of the eighteenth century and by an emotional desire that set his face against the entrenched vested interests of the landed classes of the old country. Consequently there has been carried into the New World a deep-lying prejudice of the landlord and all his works. These shadows from the past are obstacles in the path of progress and of the development of the beneficial economies inherent in the leasehold system. We have to teach men to look at the financial and economic aspects of the problem and to divest their minds of the emotions engendered by the experience of a past age.

In our own country the benefits of leasehold tenure in housing are being frustrated by political uncertainty. Much is heard of the desire for a property-owning democracy. The majority of our people, in my opinion, are not interested in owning property and less interested in democracy. What most people want is a house as a shelter over their heads which they can acquire for the least outlay. House prices are going up with the increasing value of land which itself is a concomitant of an expanding economy. The problem of buying a house is going to become, therefore, more acute. Many people would prefer to rent a house than buy one. The reason why houses are not available to rent is that investors and developers are hesitant to put their money into rented houses because of the left wing threat of rent restriction. Until this is removed we shall not see the benefits of the leasehold system extended to housing in this country.

Mr. Balch asked what the alternatives were to the leasehold system. There are countries such as America and Denmark where the leasehold system to a large extent has been banished from the countryside. In Denmark for example one has a highly developed agricultural country based wholly on owner occupation of the land. They have difficulties which are a direct consequence of this tenure. Vast and intricate credit systems have to do for the Danish farmer what the landlord does for the British farmer. Well, that is their affair, but we would do well to note the difficulties which have arisen because of the 18th century policy which ended the landlord and tenant system in that country.

Mr Eckert raised the question of customary tenancies, and asked what the term meant. Customary tenancies in the past belonged to the group of tenures associated with copyholds, and were enfranchised in 1922. History does show, however, that the term can be used in an erroneous and misleading way. This was the major cause of the Irish upheaval of the 19th century. The Irish farmer



thought he held his land on a customary tenancy, when in fact his interest was the creation of the common law contract of landlord and tenant. The landlord issued notices to quit in the hungry '40's and the tenants claimed the protection of custom. A long battle raged and the dust has not yet settled and the up-shot was the development of a new country and the division of the Emerald Isle.

Mr. Pettit raised the question about local authorities going into property business. We should have no objection to them doing so, providing they are on equal terms with the private investor and landowner. If they must provide houses to let, the rents of these houses should be reestricted in the same way as the rents of houses owned by private owners are restricted. The local authority in business should face all the hazards which concern a private business man and investor.

Mr. Pettit suggested that Mr. Miles' paper was an arid performance. I cannot see how he can regard the subject as dry and uninteresting; the great rebellions of the world have raged round either religion or leaseholds—I have touched upon the story of Ireland. The great upheavals were fought over tenant right, religion perhaps had something to do with it, but it is not my brief to refer to that now.



## CHAPTER FIVE

### OWNERSHIP, PATRONAGE AND ARCHITECTURE

by

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When the Department first approached me to give this paper, Mr. Holister suggested I should speak on "The effects of the recent changes in the pattern of land ownership on architecture".

I replied, perhaps somewhat truculently, "What changes?"

Surely the pattern of urban land ownership (and I am talking about urban land today), in so far as it affects the design of buildings and groups of buildings, the design of these in relation to whole districts of the city, in relation to access by car, van and foot, has changed very little in Britain. This is the trouble, it seems to me. So the reply came back: "You talk about that".

In two important respects there have been changes in urban land ownership of some significance for planning and urban renewal. First the buying up of profitable central urban sites and their large scale redevelopment by private enterprise with institutional finance. Where the freehold of this land is vested with the local authority and the schemes are genuinely comprehensive and appropriate, the present and future purposes of urban renewal can be well served. This is not, however, always the case and the permanence of such large new central area holdings of expensive and inappropriate uses tied to self-perpetuating institutions is not a happy legacy.

Another important change is the dispersal of home ownership on a more individual basis by the sale and breaking up of large estates and the reinvestment of this money more profitably elsewhere. This, too, does not normally have good results for planning and architecture now and will make comprehensive renewal much more difficult in these areas in the future.

Nonetheless, with these exceptions, which only apply to a



limited extent, the general pattern of urban land ownership has changed very little in recent years.

It is not, though, just a simple question of the effect of land ownership on the form and character of buildings. A prospective building owner, whether an individual, a company, estate or a public body, is both sponsor and patron. It is he who has the final say on the building brief, in the sense of settling what the building should contain and what its purpose should be. He has to fix its cost ceiling. He or his representative has to choose his architect. Sometimes the building owner is also the freeholder, often he is not. Sometimes he has a continuing financial interest in the building, more often, nowadays, he has not. More rarely still (if one excepts the great volume of local authority building) is the first building owner, the promoter, also the occupier. Most private building is for an impersonal market.

There have been, then, important changes in patronage, in this sense, in the last 20 and even the last 10 years. Most of these changes, so far as the private promotion of buildings is concerned, have had the effect of depersonalising the client and we should not be surprised if the result has been to depersonalise the architecture.

The architecture which we see on the *back* page of *The Times* every week seems to be the product of a mediocrity which only too easily arises when the building is promoted by one company with finance borrowed from one of the insurance companies, and let as soon as it is finished, if not before, to another company or group of companies who had no say in the design or planning of the building in the first place.

With these sorts of patronage arrangements it is difficult to fix the responsibility for success or failure in patronage on anyone. Decisions financially accountable in simple terms can be and are taken, but to achieve the creative collaboration, the easy interchange of ideas between architect, owner and user, which is the best atmosphere within which to nourish creative and imaginative architecture is bound to be difficult. From what we see around us, it rarely happens.

Even this system, which during the next few years will still be the one which will promote most of the new buildings in our city centres, can be made to work better. Provided, that is, all parties to it (including particularly the local authorities which have a



greater onus placed upon them to bring order out of this kind of chaos) understand better what has to be done and their part in it. The local authorities' powers of compulsory purchase and the grant of planning consent are still important, despite the dismantling of so much of the planning legislation. Developers of large schemes need both those powers (which they do not possess). Therefore, councils are still in a strong position and their best sites should not just fall into the lap of the first or highest bidder. They are in a position to insist on good architecture and planning. Developers, in their turn, can achieve this if they care enough, if they are not too greedy, and will weigh first capital cost against the value of the long term investment.

I said earlier that the pattern of building patronage has been changing, but the pattern of urban land ownership has not.

This is very familiar to all who study the history of our cities. The visible persistence of physical pattern caused by the mosaic of land ownership and road systems in town plans through centuries, surviving often revolutionary social and political changes, surviving even a complete change in the economic function of the towns and cities concerned, is one of history's and archaeology's most astounding phenomena.

Where sites could be re-developed with roughly the same amount of building on them and where methods of movement among and access to buildings still remained by cart, horse-drawn wagon and by foot, no great harm was done to the organism of the city as a whole. The texture and scale of its fabric remained much the same.

The trouble with the 19th and far more with the 20th centuries is that the forces behind city renewal now reject these conditions. The pressure on the cities and particularly their centres, and the revolutionary effect of new inventions in transport and of new social demands, is such that the fabric of large parts of the cities has to be scrapped if the organism as a whole is to continue to work.

It is at just this point that the changes in the requirements of modern city redevelopment have far outrun those of ownership.

Most modern buildings have to be larger and need far more area than their equivalent (where it could be said to exist) in previous periods. A modern secondary school, for instance. Modern shops and offices, though they can be fitted into the fabric of buildings of



earlier periods, do so with difficulty and are far best suited by modern framed buildings, flexibly planned with uninterrupted floor areas and up-to-date services. Office workers, too, expect better conditions and may even get them one day by new legislation. Good day light is another prior condition which requires space around the building and therefore more site area.

Apart from all this, many, if not most, of a building's occupiers or visitors will in future seek to travel to it by car. Car parking cannot be provided on a large scale except on large sites. Similarly, the city block is becoming larger as a direct result of redesigning the street network to absorb a larger number of vehicles in movement, and its converse, the precincting of other streets to effect the separation of pedestrians from vehicles.

All these factors lead to one conclusion. The basic unit, the city block, the unit that has to be planned and redeveloped as a whole *at the same time*, is much larger than before.

We have not yet faced the full implications of this in our towns and cities, though the achievements of our new towns—and of our great 18th century estate developments point the moral and the means clearly enough.

A great deal of lip service is paid to the idea of comprehensive redevelopment (and a considerable amount of large scale piecemeal redevelopment is masquerading under this title these days). It is the local authorities who, it is now generally admitted by most developers, by politicians of all parties, as well as by estate managers and architects, should be best fitted in the 20th century to succeed the great private estates as freeholders and trustees of the urban estate. But they still have one hand tied behind their backs: lack of capital. They have been stripped of the special grants they once had for comprehensive planning. They cannot borrow money with the same ease as can private developers, their procedure of annual accountability is out of step with the long term nature of urban renewal. Financial ways can and should be found now of enabling local authorities to promote such schemes which otherwise throw an impossible short term burden on the rates. They need the money primarily to finance the cost of land acquisition which has risen very steeply in the last four years. In 1959/1960 local authorities spent £8.3 million capital expenditure under the planning acts. In 1962 the figure is expected to be £20 million. Last year it was £18 million. These figures include the cost of



land. This matter is of special importance for our smaller and medium size towns. It is just these which are wide open now to being torn apart by speculators and who lack the bridging and longer term finance to promote the positive alternative.

I make no apology for emphasising these elementary and necessary preconditions of patronage in town and city reconstruction. It would be humbug to discuss how best to realize the great architectural opportunities our cities have without pointing out that none of these can be realised in these conditions of anarchy.

Nonetheless, the realisation of these pre-conditions is no guarantee of architecture as such. Architecture is an art and cannot be secured by, as it were, taking out an insurance policy . . . like most really important human endeavours, its measuring rod can only be an all round human response to a many sided situation.

"Firmness, commodity and delight" were the three conditions of good architecture which Sir Henry Wootton singled out three centuries ago. They still are . . .

"Firmness"—a stable and efficient structure is no great problem and one well within the reach of competent architects and engineers and guaranteed by bye law. Indeed many of our buildings are, if anything, too firm, heavy and stable.

"Commodity"—in the sense of a well conceived plan, tailored both to current client needs and adaptable to change—in the sense of the economical and efficient planning of building services and choice of materials and finishes (economical in the long-term as well as the short-term sense) is a much more difficult quality to achieve. A good brief drawn up jointly by architect and client is the sure guide to this and I will have a further word to say about this.

"Delight"—this elusive quality of beauty, easier to recognise than to analyse, is something we must no longer be ashamed to be seen pursuing. The muse must be pursued, loved or, at the very least, recognised, however tiresome, time absorbing, and at times even undignified this pursuit may be. It will not be taken for granted and, like love itself, it cannot be bought. Just as the physical sensation usually associated with love can be bought, as can the social prestige (the blonde in the cadillac), so, of course, can the substitutes for architecture fashionable at the moment.

Clients (in both cases) who do this not only end up by looking a bit ridiculous, but maybe even feel a little cheated in the long



run.

These three qualities of "Firmness", "Commodity" and "Delight" are a trinity. None can exist effectively without the others.

They are not achieved by the architect alone, but only by architect and client together, each understanding his own purposes and limitations.

There are always some exceptions to this rule, life and art being what they are.

There are, from time to time, clients of genius ahead of their time who have not been able to find architects at that time capable of giving architectural substance to their visions. One of these rare beings, the late Henry Morris, who pioneered quite new ideas in modern education and culture, will have been known by some here in Cambridge.

There are occasionally architects of genius, men such as Mies Van de Rohe and Frank Lloyd Wright, whose architectural visions at one time have been far ahead of the society they worked in. In their case, society either failed to provide patronage or delayed it for a quarter of a century.

Such people, necessary as they are, are the exceptions. For the most part architecture is, and always has been, something that happens as the result of a fusion of effort, an electric current generated between architect and client, both working within a common climate of ideas, most of which they share with others around them.

This is the state of affairs we should all seek. It does exist, here and there, and I suggest in some fields of building such as school building, to a wider extent than we may realise. Certainly it exists to a much greater extent than was true in this country even 10 years ago. There is now a generation of architects of experience and ability—mostly at the lower range of the age scale—whose work shows they can tackle in a new and imaginative way any job put to them.

Most of the best architecture in this country has been for some time and is still being sponsored by public authorities. Nearly 40% of all architects are employed directly by public authorities and on their staff. What is even more significant, the best of these authorities now have programmes of first-rate work, as a matter of course and a matter of policy. It is they who have been our



enlightened patrons. Private enterprise has been much less enterprising, architecturally speaking, so far at any rate. If developers selected their architects with the same care as they do the properties in their "portfolios", we should have little to complain of.

The L.C.C. (think of its pre-1939 architecture!), the Eastern and Midland Regions of British Railways and hundreds of local education authorities have now a record of architecture of distinction that is standing up to world-wide comparison.

It is perhaps not generally realised that some 30% to 40% of all new building work is still not designed by architects at all. Even allowing for minor works which may not need or justify an architect, this is still too high a figure. Nonetheless, in 1961, of the £1,700 million spent on new buildings, architects directed the spending of some £1,100 million, roughly a quarter of our total national investment—our gross fixed capital formation of £4,100 million. There are few professions who direct the spending of this kind of money.

There is now enough good architecture of many different kinds by public and private architects and public and private clients to set a new standard which nobody commissioning and designing today can be excused for falling below. It has to be sought out by a discerning client or committee seeking to discover what contemporary architecture can offer. But it is *there*.

What then should you do if you have to choose an architect for an important or reasonably large commission from among that half of the profession in private practice? Any professional qualification is a certificate of competence. It is not a guarantee of artistic genius or even necessarily a mark of talent. There are today 3,400 private architectural offices. If one excludes the smallest as not being able to tackle large urban renewal schemes, that still leaves 530 medium-sized offices (employing between 6-10) and 380 large ones (employing over 11). The range of ability among so many is bound to be wide, and is.

The choice of an architect is not an easy decision, or one which should be made lightly. Particularly if it may be for the first time.

Quite likely it will be the biggest capital investment of a lifetime. After the decision to build, the decision of who to appoint as architect, the man who will decide in the event whether the money is well or badly spent and whether the building is well or badly



designed, is easily the most important remaining decision.

A client also owes a responsibility to the public, to exercise discrimination in architectural matters. His own public image is at stake for, in a sense, architecture is one of the best forms of long term advertisement, and for better or worse, a monument which will endure for at least one generation.

To commission an architect just because he is a relative, a club acquaintance or fellow-mason, is frivolous. If he is a friend it may well be disastrous both for the building and the friendship. Architects have known enduring friendships with their clients, but this best happens after the conclusion of the first successful job.

Choosing an architect is not easy. As professional men, architects are forbidden to advertise, solicit work, cut fees, or submit plans without being asked or without being paid. This is right because an architect's work should depend on its quality and that of his service, not on salesmanship.

It will, then, take time and trouble to find the right architect to do the right kind of job you want done, and I do not think it is any solution to fall back on the "package deal".

Personally, I think the best way is to compile for yourself (with the assistance of informed friends, the RIBA and the local planning authority who know who may be available), a list of buildings whose design you like. Chief architects and architectural advisors to local authorities and universities, and others who have to commission architects, can also offer disinterested advice. The architectural magazines will keep you informed of current trends, to say nothing of fashions, and provided any buildings illustrated are also visited, this can be a useful introduction to buildings you would otherwise not see. They also publish the winning schemes in architectural competitions which are a good place sometimes to spot younger talent, though the established firms do not normally enter competitions unless asked and paid to do so.

Before approaching an architect, some things should be quite clear in your own mind. How much money you intend to spend is the first one. You will probably get less for this than you expect, building costs being what they are, but tempers, time and abortive work will be saved if you make clear what you can afford. Clients are notoriously reluctant to do this, but it is quite essential.

There is no objection to meeting one or two architects to see



if you think they are the right kind of men and organisation (for most architecture is today a team product) for your needs. As personal understanding between architect and client is important this should be done. You cannot, however, offer cut fees among different architects.

If you still cannot find one and consider that the only way to choose is to ask a number of architects to submit schemes, there are two ways of doing this, but you must pay for both of them.

The first is to pay each architect the RIBA scale fee for a sketch design (which may be up to 1 % of the cost of the building for each design). You can, of course, also do this for just one architect.

The second is the full scale architectural competition.

Normally, though, you choose your architect and then commission a sketch design and estimate of cost, and the problem, therefore, usually boils down to that of choosing him without having seen his sketch design.

If you can choose him as early as possible, he can help you choose the site and as this, in an urban setting, will itself to some extent determine the kind of building that should go on it, this is a great advantage. You may even find that an architect may have to advise you to abandon a particular site as unsuitable for the kind of building you need. The choice of a site should not just be left to surveyors and property agents, though their skills, too, are, of course, essential.

The sooner he is appointed, therefore, the better.

The next thing is to draw up, with your architect, the brief of your requirements. This brief has become increasingly important in recent years, as building functions become more complex, clients more exacting, and needs change more rapidly. I would identify a good architect in large measure by the care and trouble he takes, with the client, to get the brief right.

If a firm of developers offers a package deal containing ostensibly free architectural services, and if they or an independent architect promise to do just what you want without trying to discover what you need, you are not getting a proper professional architectural service.

Very few clients, while they may think they know what they want, often know what they need. There are good reasons for this. Until that moment, they have probably never sat down and analysed just how their organisation worked. One of our most distinguished



educators, Lord James, the new Vice-Chancellor of York, who had to work out the brief for his university, recently described how he had become educated by discussing the brief with his architects.

There is no substitute for hard and detailed thinking about how things work, or, what is more difficult, how they might work better if . . .

The recent series of broadcasts on the Third Programme has dealt with this in some detail and I would refer you to these talks. Anyone reading them in the *Listener* would realize that the whole development of architecture is now far less a matter of anybody's personal whim, but a creative, collaborative process between a team including the client, involving care in analysis of purpose at the outset and the use of great imagination so that the building can be envisaged in all its beauty and complexity, before the event.

Of course, we all know rogues in the past who have been great patrons of architecture, saints who have been a confounded nuisance, and politicians who could not resist the urge to try design themselves. Saving the ghost of Thomas Jefferson, who really could combine the office of President of the United States with the job of an architect, this attempt is usually disastrous.

Politicians should be the greatest patrons of all, though few in this generation have shown signs of this. It is vital for the future that some of our political leaders are capable of seeing the possibilities of a particular building programme, of a key city site, of a new kind of new town and of transfiguring a crumbling slum into a new community. These are not just architectural tasks, but should be political visions, and the fire that must inform them must also warm the Treasury.

Until very recently almost all politicians were concerned only with the number of houses built this year. This is changing. The public is now concerned with the quality as much as the quantity and the imaginative architects in the Ministry of Housing, following the Parker Morris Committee Report advising higher standards, have shown that this can be achieved even in this field of housing where the problem of numbers is still overwhelming.

But the public, its taste slightly whetted by some of the best architecture of the last decade, now expects to see quality in imagination and in design, not just higher space standards and more dwellings.



This means patrons must be prepared to go out and seek architects with imagination, and to take some risks. Not all experiments will wholly succeed. There are the great unpredictables built into any creative enterprise. As with science and art, architecture cannot advance without controlled experiment. But it is just this element of risk in experiment which can lift building into architecture. I hope you will consider it worth taking.

*Mr. Shankland's reply to the reports of the Discussion Groups*

I will try to make one or two comments on the points that were made in the discussion, starting at the end with Mr. Eckert's group, and working back to Mr. Balch's at the beginning.

I was in some difficulty on one point. It seemed to me a little contradictory. The group seemed to think that bad architecture was really the responsibility of architects; but also simultaneously reflected the taste of society. You cannot have your cake and eat it. One must, I think, make up one's mind on this question. The group also said it was a fault of architecture, not of ownership and not of patronage. How can it be a reflection of the taste of society if that does not also include the question of ownership and patronage, because those things are necessary for architects to come into existence? This seems to me, if I may say so, muddled thinking. I would certainly agree that there are poor architects and they have responsibilities for poor architecture. All I am saying is that they share them with their clients, and my criticisms of the patronage arrangements, which I explained at the beginning, were that this kind of system was almost self-defeating in its very nature. It was a criticism of the system rather than a criticism of individuals—the system, you will remember, whereby there is this extraordinary gulf between the actual user of the building, even a modern office building, and the people who commission it from the architect in the first place.

Conditions, the group said, were no more difficult than in previous dates of society. I do not know that we should be bothered whether they are more difficult or more easy; the point is that they are different. What we have to discover is the nature of the differences of patronage and I tried to touch on some of them. There are many others. What we have to do is to try to produce a system of commissioning buildings, or a series of systems which at least create the conditions in which good architecture can arise. There is nothing automatic about it; design and skill are still necessary, but the conditions in many cases do not exist.

On the question of the functions of local authorities as landlords in the sense of sponsors of comprehensive development, I was very pleased, because I hold this view myself, that there seemed to be a wide measure of agreement in all groups that this was necessary, and quite rightly there was a measure of criticism



that the present machinery and personnel in local government were not adequate for this task. I think I would agree with both these views, and stress of course that it is both. It is not just a question of individuals, it is a question of machinery as well. And there is the point that Dr. Denman was just mentioning, that local authorities, going more into the field of promotion of buildings, promotion of the urban estate in the sense of sponsoring our schemes, may have to operate within a framework comparable to that of private developers. I think that is probably going to happen, but what I am saying is that they are under a certain disadvantage which private developers do not have with respect to finance, and until this can be expected to be overcome, I do not think we are going to get very far.

One brief point on Mr. Eckert's group's criticism of fees being too high—it was a bit much to charge one per cent for a sketch design. Another group even suggested that the one per cent should include the cost. There one is really asking a lot, I think. The word sketch design is rather unfortunate here, it suggests a sort of soft pencil esquisse, dashed off in five minutes. In point of fact, the sketch is the essential idea of the building; the thing really most important of the architect's contribution. It is an idea of course which has to be modified and developed in practice, but it is the hard core of his solution. That is what one is getting for the one per cent, and it is possible in very broad terms, if one has this sketch design and one knows the cube of the buildings, which one would, to have a very rough idea of its cost. It would have to be highly conditional, because there are a number of things which the clients themselves have to decide before any cost figure can be given with precision. The range of the cost of different kinds of finishes for the same kind of building can be enormous, and the actual equipment of the building runs away with a lot of its cost; so you could well have a state of affairs whereby you have much the same kind of building but its finishes and equipment vary widely. This after all happens in the case of housing. The actual difference in space, and indeed in appearance, between working class housing and middle and upper income group housing these days is often not so very evident, among the best schemes of both kinds, but the difference is made up in the equipment and finishes and that, I suspect, is where the differences in costs mostly go.

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Mr. Pettit's group too thought that local authorities should engage in business as landlords, and the architects I gather came under fire from this group. Who is responsible for mediocre work? That was the question, wasn't it? Well, I would simply suggest both the patron and the architect are responsible for it. I do not think either can escape from this criticism. One knows of buildings where the patrons had the best of intentions but employed bad architects, or not very imaginative ones, and the reverse state of affairs as well, though the successful result I think is the successful collaboration of both parties.

On the question of cost, there seemed to be a feeling in the group that architects did not know anything about cost. This hurt me a bit I must say and would,



I think, be strongly resisted by architects, particularly nowadays. I think it is certainly true that in the Lutyens era there was the somewhat more cavalier attitude to questions of cost, and in the sort of grand maitre tradition of architects, like Frank Lloyd Wright for example, who did not bat an eyelid if their buildings came out two or three times more expensive than their clients expected. These are of course very exceptional cases. The Ministries, for instance, operate extremely rigid cost ceilings these days, within which architects are continually designing; and the whole volume of local authorities' school building, which many people think is the best single contribution in the terms of building output and of architectural design over the last ten or fifteen years, has been conducted under a rigid cost ceiling of fixed cost per place. Therefore I must rebuff this general charge against architects, because I don't think it is fair and it is misinformed. Indeed this system will develop further. The Ministry of Housing nowadays has ideas and other Ministries would wish too to change the system of the distribution of money to a system which permits some formula, like cost per place; which permits the architect to spend their money as they think fit within an overall framework, rather than requiring rooms to be a specific size and corridors a specific area in relation to the total area of the building. The actual techniques of the cost of administration, thanks to the quantity surveyors in no small measure and to the more scientific ways of costing buildings, are changing, and helping the architect's job in designing very considerably as a result. So actually quite big steps have been made in this sphere, and they have been most successful where the cost control work has been conducted by part of the total building team; the War Office and the Ministry of Education being two rather striking examples of that.

Mr. Fox's group made the point that development was carried out by a team, with which of course I agree, and they said "Are contractors becoming patrons, and what is patronage?" I think this links with the point we discussed at greater length in Mr. Balch's group. Architects at the moment are rather divided and confused about this question of the inviolability and responsibilities of professional work. There was a very famous debate in the architectural profession at the turn of the century—"Is Architecture an art or a profession?" I think most architects these days would subscribe to the view that it had to be both, and it has to be a business as well, a point that was well made here. But it was a great battle, one fought with fury and conscience on both sides at that time. The first point that emerges today is that any project of any complexity and magnitude, any project of urban renewal, or even a single building if it is a big one, has to be the result of inter-professional team work. This I think most architects would admit, so that, in so far as the package deal ostensibly provides this service, it has attractions and appears to be in line with modern conditions. I would like to see, however, an inter-professional service provided, which was more dependent on the guidance of the professionals in that team and less dependent on the simply financial problems of making calculations of profit



margins, which seem to me under the conventional contractors' package deal arrangements, to be the ultimate ones. Now this in turn raises the question of, within a team of this character, who should be responsible for making the decisions? We, as architects, have a paradoxical situation whereby it is perfectly permissible by the R.I.B.A. Code for an architect to be employed by a builder, but it is not permissible for him to be a director of a building firm. In fact, the one level at which he could make an important contribution is the one that he is excluded from. We are, I think, increasingly conscious of this fact and, providing that professional integrity and the very real need to provide an objective service to the client is not compromised, I think there may well be changes in the R.I.B.A. arrangements to permit architects to take part with surveyors, with in fact business men at top levels, in promotions of large scale schemes. All buildings, this group felt, should be designed by architects, and I was glad to note this idea seemed to find general acceptance.

Finally, a very good suggestion, which I will certainly relay to the R.I.B.A.—I am not representing them officially in any sense today, but I think they ought to know this idea—that there should be exhibitions whereby would-be clients who needed to commission buildings could get better acquainted with what is going up and who is designing it. I think there is a very real need for the profession itself to make this more widely known and not to be too ashamed about doing it.



## CHAPTER SIX

### PLANNING AND THE LAND MARKET

by

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#### *1. Introduction*

In 1943 all landowners in the country suffered a dramatic take over. They found themselves with a new partner to their deliberations, one who came uninvited but not unannounced, and who offered no pay for his share. The partner was, of course, the local planning authority, for this was the year when all land and not just some in the country came under interim development control<sup>1</sup>. In the 1947 Act the partner increased his holding, as did big brother, the central government, and both have produced a big impact on the real estate market. Such is the strength of their influence that one writer has suggested that a new form of tenure has been created;<sup>2</sup> and another, the head of our host Department, that “ . . . a town planning authority in determining the allocation of land resources acts in principle like a landlord.”<sup>3</sup>

All must agree therefore that the impact of planning on the traditional land market is one of the contemporary problems of land ownership, although while some of us view such problems as the kind raised by doting parents others are not quite so indulgent. It is this impact which it is my privilege to talk about today.

#### *2. Some definitions*

Everyone in this audience will know what is meant by the words in the title, but for that very reason, just because they are so familiar, some definition is necessary. By planning is meant the whole structure of land use planning, without differentiation between national, regional and local levels, whereby plans allocate land to



certain uses, and control ensures that private and public development takes place in conformity. By land is meant, of course, real estate as a whole, both farmland and urban property; and the land market comprises all real estate transactions, for sites and new and established stock, being "not any particular market place in which things are bought and sold, but the whole of any region in which buyers and sellers are in such free intercourse with one another that the price of the same goods tend to equality easily and quickly."<sup>4</sup> But the very wording of this classical definition at once evokes two questions. First, what is the "region" where the buyers and sellers are in such free intercourse? The clue to this is that geographical area in which all the units on offer can be regarded as substitutes for each other.<sup>5</sup> And since an industrialist might consider sites in either Hampshire or Lanark, and since a house purchaser might be interested only in a few particular streets, it follows that there are innumerable sub-markets of differing geographical extent, whose boundaries are difficult to define. Secondly, despite the existence of a free real estate market, why is there often so much disparity in the prices of the "same" goods? The answer lies in the notorious imperfections of this market.<sup>6</sup> It is this imperfect market which I have in mind here, and to which I now turn.

### *3. Market planning of land use*

Whimsically, if not paradoxically, the planning of land use took place long before land use planning was begun. By this earlier planning is not meant just the often quoted examples of large scale estate development, for these are not particularly typical of the much wider manifestation of the non-planned planning, the "automatic direction of economic life towards an inherent goal" which results from the higgling of the market.<sup>7</sup> In this consumers decide by voting with their purchases just what economic activity takes place; the market allocates resources to the carrying out of that activity, and also distributes the resultant income or wealth. In land market terms, in response to demand of consumers for the services offered by land, as expressed in price, the use and development of land is decided, and the product is apportioned among those concerned with the ownership, development and occupation of the land.<sup>8</sup>

Since our more recent land use planning was superimposed



on the earlier market planning and since our central theme is the impact of the later planning upon the earlier, it is necessary to examine just how the market plans land use, necessarily for the moment ignoring official planning control.

The land market has one characteristic in common with that of all durable goods: there are really two closely interconnected markets, one for the established stock and the other for the flow of new stock, including adaptations. As to the existing stock, the market will plan its use, in the sense of rationing, according to changes in demand.<sup>9</sup> Growth in the number of families for example will increase demand, causing house rents and prices to rise, so leading to higher occupancy rates in certain areas to reduce unit costs and shifts of families to less expensive districts. If the existing stock is inadequate for continuing demand, prices will rise sufficiently on the longer term to induce the provision of new stock, either on unbuilt-on land or in adaptation or replacement of established stock. And the operations of the land market will decide just when the change in use will take place on any particular parcel, what that use will be and its density. To amplify this, the use will not occur until there is sufficient development value in land to compensate for loss of current use value; it will be that associated with the highest bid for the site, since this is the criterion which decides between competing uses; and the highest bid will be associated with the particular density which produces the highest land value and therefore bid on that parcel.<sup>10</sup>

But the land market differs from that of other durables in certain important respects, of which three are of relevance here. First, just because the improvements to land are relatively so durable, the annual flow is typically a relatively small proportion of the established stock. In the United Kingdom in 1959, the new gross capital formation in building and works was 5.6% of the then estimated total value,<sup>11</sup> a proportion which of course would vary from place to place. Secondly, where the new development takes place in an existing locality, both new and old, being literally tied to the ground, very much influence each other. Existing factories rarely attract expensive houses nearby; and new central area offices can shorten the economic life of existing outmoded offices. This interaction of new and existing development is particularly pronounced as between certain kinds of private and public development. Existing property influences a road line, while a new road



will cause shifts in the use of established stock and also in development potential. This last example introduces the third peculiarity of the land market. While certain development could be carried out by either the private or public sector, much development clearly falls to one or the other, and both are complementary for urban living.

This, of course, is an all too simplified account of the economic mechanism by which urban areas originate, grow and evolve. And in passing I should say that in using the adjective "economic" I do not wish to imply a limited aspect of the process, for it could be shown that in fact it also embraces the physical, social and institutional.<sup>12</sup> This market planning has produced the towns around us. And it is when we judge its effectiveness by certain results, by the urban squalor, the strain of travel, and all those other miserable spawnings, to quote a friend, of towns indulging in passionless conurbation, that we have good cause to question the effectiveness and to welcome the introduction of "non market planning".

But we must be clear what we are condemning. This is not so much the market system itself as its inadequacy for its job. The system is as much to be admired for what it does as criticized for what it fails to do. The daily milk bottle on the doorstep, or perennial potatoes in the shops, result from a wonder of "unplanned" organisation which is only slightly marred by such absurdities as the recent milk glut or potato famine. This tolerant view of the market is less easy to take in relation to our towns. But even here we must accept that the system has produced not chaos but urban organisations in which it is possible to live, work and play in accordance with a reasonably high standard of living. It has produced a reasonably efficient "natural" use zoning. The point has been put more positively by a representative American land economist, Richard Ratcliff "The outgrowth of this market process of competitive bidding for sites among the potential uses of land is an orderly pattern of land use spatially organized to perform most efficiently the economic functions that characterize urban life".<sup>13</sup> That the process produces far from satisfactory results, the writer recognizes, for, he goes on, "It is needless to dwell on how imperfectly the market operates and how wide are the actual deviations from the perfect pattern of land uses".<sup>14</sup> The remedy, he suggests, unlike other economists who pin all



their faith in the market, lies in land use planning, whose role, in brief, is to repair the market imperfections.

#### *4. Land use planning and market planning*

To this suggestion we will return but first we must consider whether land use planning displaces market planning, by considering to what extent development plans and development control influence demand and supply as these would otherwise be truly expressed by the market. Immediately we see the relevance of distinguishing between the twin markets, between the existing stock and the flow, for the impact of planning on each is different. The major powers and role of planning authorities stem from their right to control both private and public development, that is the carrying out of constructional or mineral operations and the making of material changes in land use.<sup>15</sup> It is to guide their policies in this field that they make development plans; so much so that there is no real point in preparing such a plan unless some significant development is expected, except it be done to try and stimulate development that might otherwise not come.<sup>16</sup> Since much the greater volume of development is in new works rather than mere changes in use, it follows that planning has a greater point of impact on the flow than on the stock itself.

Taking the flow first, as already indicated both demand and supply considerations enter. As to demand, any worthwhile development plan includes in its preparatory analysis some forecast of the "demand" over the period of the plan, and very often within successive segments of that period. This arises not so much from any leaning towards economics, a weakness from which planners do not as a whole suffer, but from the revolutionary requirement in the early Ministry circulars relating to development plans, that they be prepared for a definite period of time (20 years) ahead and not, as earlier plans, without relation to any time scale.<sup>17</sup> Once you begin thinking of time and not the ultimate in plan preparation you are forced to consider the demand that is likely to arise within that time; it is built into the concept of time-planning.

But it is one thing to want to forecast demand for up to 20 years and another thing to do it. Forecasting techniques are rudimentary in this complex field, and market indicators are reliable for only a short period ahead. The forecasts that are made are therefore a



mixture of need estimates, trend projections, crystal grazing and guesses, and it is for this reason that "demand" was put in quotes above, so as not to offend the purists. But there is another reason. Many planners prefer to have a blind spot about demand, thinking that they would be lacking in social responsibility in not basing forecasts on people's needs rather than on what they are likely to be able and willing to pay for. Perhaps they have the right instinct.

But to return from this digression. The plans in their preparation do recognise the idea if not the actuality of economic demand. They do try to forecast the market. But since they are plans, not projections, they may not elect to permit demand to be fully satisfied. If so the restriction is made on the supply side. This operates in a variety of familiar ways. To give two quite hypothetical examples, if there so happened to be a medieval town, in which the aims were to maintain and enhance the character, the size of the town might conceivably be kept down to less than the demand would justify. And if its town centre had inadequate space for traffic circulation and parking, the supply of new commercial floor space on comprehensive redevelopment might conceivably be restricted to less than the otherwise optimum density. But the supply of space in a plan is not always less than the demand would justify. It might be more, as where the town is short of industrial employment and it is desirable to stimulate demand by making suitable land available. Another way of influencing demand by supply is in stimulating a chain reaction from development. While this is feasible in the private sector, the bigger possibility lies in the steering of facilities, such as roads, utilities, aerodromes, a weapon we perhaps do not sufficiently use. But the power of the supply weapon is of course circumscribed; the planners propose but the developers in fact dispose. Maximum permitted densities are not always adhered to.

In short therefore, plans are prepared on forecasts of demand for additional development but do not necessarily cater for demand. Many plans are known to be considerably short in supply of land for new residential development on the outskirts, and this shortage has been blamed, not without dissent, for high land prices in these areas. But any attitude towards such prices must distinguish between two reasons for such residential land shortage. The first applies to all the original development plans which "were based



on population forecasts which have proved to be too low. Because of this and also because of generally increased prosperity and a trend towards smaller but more numerous households, land allocated for development in the plan has been used up more quickly than had been foreseen."<sup>18</sup> In such plans, where the intention is to cater for demand, as additional allocations are made prices should fall, insofar as the land scarcity made them unnecessarily high. But in some plans the short supply is deliberate and will be maintained, as where it has been decided, for one reason or another, that the town should be limited in physical size. Here, if population pressure continues, both house and land prices must continue to rise, unless sufficient relief comes from development and redevelopment at much higher density, which in itself does not add to cost. They will continue to rise until sufficient people begin to look elsewhere and to stimulate supply there instead. In this way the real estate market will be allocating resources to achieve a government planning objective. Its distributive effects, on wealth and income, are not so welcome; property owners within the "urban fence" benefit at the expense of property owners outside, and consumer costs rise. But the remedy to this distributive effect is not to throw overboard the planning objective by increasing land supply.

We now turn from flow to the effect of planning on the demand for and supply of the existing stock. In contrast, it is the supply of stock which is given, by and large, and planning makes its impact in the degree to which it assists or prevents its rationing by demand. The impact is made in a variety of ways, and the effects are complex. There is space left to mention only some general points.

Stock is in demand for two reasons: its use for the purpose for which it was designed and also for its development potential, using that phrase in its widest sense to include mere changes in use or intensity of use.

Where no potential exists, the demand for a building depends simply on its suitability in its location. Planning makes its impact by directly permitting, denying or conditioning the fulfilment of the demand. It can make an indirect impact too, in its influence on changes elsewhere which will affect the attractions of the building in the market. The use permitted on adjoining land is a clear instance.



Where a development potential exists in the stock, there is by definition a demand for a flow of services different from that offered by the existing stock. This is basically no different from the situation we have already discussed, the demand for a flow of development on undeveloped land, except that conservation issues arise, those to do with the fate of the existing stock. Two topical instances can be cited. Where buildings have architectural or historic value, planning control will resist their being added to the supply of building sites. In the absence of subsidy, this will tend to succeed where the operating costs of the buildings are at least no more than their rental value for some appropriate use. Secondly, where the buildings have a cultural value, such as the theatres which occupy sites of greater value for commercial use, it is the use rather than the building which is treasured, so that the end can be secured by insisting that a new theatre be incorporated in the new building. This tends to succeed where the site values are sufficiently high to absorb relatively non-remunerative space.

Another reason for not following market planning is seen in the central London office issue. As to what the market wants there can be no doubt; more and more offices. But to follow the market unreservedly implies even more public investment than is now necessary on roads, public transport, car parks, etc., for the purpose of serving the centre and more difficulty in finding enough housing land for the office workers within daily travelling distance of their employment. Planning, therefore, tries to divert some part of the new office development to areas where it would reduce travelling rather than increase it. To the extent that this can be done, central sites which might otherwise be used for offices are released for uses which without planning would not attract the highest bid.

The last example brings out what I have glossed over intentionally in talking of demand and supply in general terms. Buildings being what they are, tied to the land, owners of particular parcels stand to benefit or lose by the planning decisions affecting demand and supply. This raises the hoary issues of compensation and betterment. But these issues in the main relate to the distributive aspects of market operations, the consequential impact on income and wealth, and with these I am not proposing to deal today.

##### *5. How should land use planning supplement market planning*



Our argument has reached this point. The market plans land use, and while it does so in a manner as much to be admired as condemned, because of its imperfections, it leaves considerable room for improvement. To secure the improvement we plan via town and country planning. This leaves the market process a great deal of freedom, but since it produces different interactions in demand and supply than would prevail without, it produces somewhat different results, as those concerned with planning applications know only too well. This leads to the question: If in land use planning we do not rely simply on the market test for land use allocation and yet do not abandon it, what criteria are we to use? It might be thought that the answer, some 15 years after the passing of the 1947 Act, would be clearly established in accepted planning doctrine. But it is far from that.

Let us start by returning to Richard Ratcliff, not so much to engage in polemic, but because his views are highly relevant and afford useful pegs for developing the argument. He stated that "the basic objective of city planning is to attain the same land use pattern that would emerge naturally from the processes of the urban real estate market under conditions of perfect competition. This statement assumes that the community, through local government agencies, competes in the market to provide for those public uses, such as schools and parks, for which the community is willing to pay".<sup>19</sup>

If this is right, the answer is clear: to achieve their objective the planners should help the market to do what a perfect market would. Despite its hint of subjection to Mammon, this proposition requires sympathetic consideration, if only because of what Sir Arnold Plant has long since pointed out, that there is no index to a community's preferences which is safer or less ambiguous than the market.<sup>20</sup>

The perfect market of course has never existed in any commodity, let alone real estate, being an invention of the classical economists for analytical purposes. Its requirements are well known. For our purpose they can best be stated in Ratcliff's list of primary land market imperfections. Summarising, these are:

- (a) The commodity is not standardised, and the lack of transactions relating to even generally similar properties hampers the establishment of a firm market price;



- (b) there is no central source of timely and complete information which can act as a guide to traders;
- (c) supply takes a long time to adjust to demand both because buildings take a long time to erect and when erected, last a long time;
- (d) action in response to market signals is delayed because the majority of buyers and sellers lack market experience and understanding.<sup>21</sup>

If this is the model, how far can we expect planning to reproduce it?

In certain respects land use planning increases the market's imperfections, by for example, fostering monopoly conditions by land use allocation or on comprehensive redevelopment, and by holding up new building. But the interesting thing is that planners do quite a bit in other directions to remedy the imperfections. On (a) their influence certainly increases standardisation in development. On (b) they provide a clearance house for all kinds of relevant information, besides making everybody much more aware than they would otherwise be of what everyone else is up to, and so reducing some of the uncertainty that would exist without planning; on (c) they do their share towards securing the clearance of obsolete buildings which stand in the way of redevelopment to current demands; and on (d) they offer a great deal of valuable and free advice. In certain directions therefore land use planners do quite a bit to foster the perfect market. Clearly some of us have been speaking prose for a long time without knowing it. But even if they were to do more, and so control free enterprise in order to secure greater social benefits from free enterprise, for which perversely enough they would require even greater powers than they have, it is doubtful whether socially acceptable land use planning would result. In support I would forward three compelling shortcomings even of a hypothetical perfected market.

First, there is one of the classic objections to the model, that while consumer sovereignty should be upheld as far as possible, consumers need to be protected from spending their money in a way that is really not good for them, or their families or their neighbours. Government must therefore interfere, to ensure, for example, that youngsters do not frequent X films and their seniors do not buy drugs; and, coming nearer home, that people do not



spend their money on badly designed buildings in dreary layouts with inadequate facilities. This involves the paternal not to say maternal imposition of standards. In passing I would point out that I am not seeking support to my argument in the undesirability of a consumer sovereignty based on unequal incomes and therefore on unequal voting power, since the counter to this is not planning control but fairer distribution.

The second point is to welcome Ratcliff's necessary departure from the classic model, in also seeing the public agencies as competitors for land for schools, etc., but to wonder whether this does not impair its efficiency in allocating resources. I just do not see how public agencies can play the necessary role in this model of the private enterprise economy. The reasons, which I have amplified elsewhere,<sup>22</sup> are simply that for the model to work each parcel of land should go to the competitive bidder who can establish the highest margin between proposed market value and the real cost (i.e., excluding land) of achieving that value. But notwithstanding the ingenious devices that are being evolved to help them establish community preferences,<sup>23</sup> how does a public agency know the money value that the public places on schools, police stations, roads etc., and therefore what their market value should be? The difficulties in their doing this have testimony in the arbitrary formulae devised for such valuation when authorities buy land for public purposes in areas of comprehensive development or new towns, and when compensation for compulsory purchase for a public purpose requires that payment be based not on the intended public use but on some reasonable alternative private use.<sup>24</sup> This ensures that authorities pay at least what any other bidder would pay in the market, which of course any successful private bidder must also do. But it does not ensure that the price paid is no more than what the use itself justifies, and therefore the efficient allocation of resources.

The third objection is even more fundamental. It is generally accepted that, by definition, the market tends to take account only of private costs and benefits, those costs it must bear and benefits it can appropriate under current law and custom; and it tends to disregard social costs and benefits, the diffused costs suffered by others which it need not compensate and the benefits enjoyed by others for which it cannot exact payment.<sup>25</sup> In concrete terms, if he had the choice, would an office block developer take



into his financial calculations any loss of daylight to the neighbouring owner of an undeveloped site, or any gain to the public who could use his car park without charge when visiting a cinema. Some might argue that in a perfect market he would, but we have it on authority that where divergence exists between private and social costs "even perfect competition would fail to lead to an efficient organisation of the economy, and that in such cases the efficiency of even a perfectly competitive economy could be improved by a suitable corrective interference with the market mechanism".<sup>26</sup> And to be concrete again, in the illustration I have used the planners would of course feel it necessary to take both the potential daylight loss and car park gain into account when deciding the application.

#### *6. Conclusion—criteria for land use planning*

This has led us to the point of rejecting as criteria for planning decisions both the actual market and the simulation of the perfectly competitive market; and therefore to the question of what the planner's criteria ought to be in this contemporary situation of two concurrent land use planning mechanisms. In conclusion I am briefly going to indicate the answer as it emerges from this discussion.

To begin with we must take note of and give weight to how the land market would plan, both because it gives a guide to community preferences and a surer guide than any other, and which we must not ignore because in our contemporary economy we rely a great deal on market prices to implement our plans. But as a guide the market has limitations, of various kinds. First, it has imperfections which distort its signals, and interfere with its planning efficiency, and these must be remedied insofar as land use planning can do so. In passing we must note of course that other government activities can make their contribution on this: towards more equal distribution of income for example. Second, it would produce development which is below socially acceptable standards unless we are prepared to exercise some degree of paternalism. Third, since it is founded on the private sector and not the public, means must be found of equating public use values with private, or some non-market approach found to evaluation in the public sector. Finally, it does not fully take account of social costs and benefits and some balancing consideration must be introduced which does.



But how is all this done? It is no light task to rely on the market as a *prima facie* guide and concurrently try to correct for its limitations. This requires some understanding of what the market can and cannot do, and of the role in land use planning of both government and technicians. It also requires, so that planning decisions can reckon with the implications, some techniques for forecasting and measuring the social as well as private costs and benefits of development, and also who would get the benefit and who suffer the cost.

But I fear that my slip is showing. From here some of you at least would not be surprised to hear me recommend the "Planning Balance Sheet" as such a technique, or rather cost benefit analysis, the American clothes in which I have more recently dolled it up.<sup>27</sup> To remind you, this is a branch of economic analysis which is used to assist rational decisions, particularly investment decisions, in the public sector where market forces give little guide. In this country, the technique has been most developed for highway investment,<sup>28</sup> and in the U.S. it is used in addition for water resource projects.<sup>29</sup> Its extension to other public spending has been urged.<sup>30</sup> The Planning Balance Sheet attempts its adaptation to aid rationality in land use planning decisions. It is in such an approach that I think we will be able to find our socially acceptable land use planning criteria.

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